



OHIO AUDITOR OF STATE
KEITH FABER



**COSHOCTON COUNTY
DECEMBER 31, 2022**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet	
Governmental Funds	24
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	27
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	
General Fund	31
Human Services Fund	32
Motor Vehicle License and Gas Tax Fund	33
County Board of DD Fund	34
Emergency Ambulance Levy Fund	35
American Rescue Plan Act Fund	36
Statement of Net Position	
Proprietary Funds	37
Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds	38
Statement of Cash Flows	
Proprietary Funds	39
Statement of Fiduciary Net Position	
Fiduciary Funds	40
Statement of Changes in Fiduciary Net Position Fiduciary Funds	41
Notes to the Basic Financial Statements	43

**COSHOCTON COUNTY
DECEMBER 31, 2022**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Required Supplementary Information:	
Schedule of the County's Proportionate Share of the Net Pension Liability/Net Pension Asset Ohio Public Employees Retirement System (OPERS)	104
Schedule of the County's Proportionate Share of the Net Pension Liability State Teachers Retirement System (STRS) of Ohio	106
Schedule of County Pension Contributions	
Ohio Public Employees Retirement System (OPERS).....	108
State Teachers Retirement System (STRS) of Ohio.....	110
Schedule of the County's Proportionate Share of the Net OPEB Liability/Net OPEB Asset Ohio Public Employees Retirement System (OPERS)	112
Schedule of the County's Proportionate Share of the Net OPEB Liability/Asset State Teachers Retirement System (STRS) of Ohio	114
Schedule of County OPEB Contributions	
Ohio Public Employees Retirement System (OPERS).....	116
State Teachers Retirement System (STRS) of Ohio.....	118
Notes to Required Supplementary Information	120
Schedule of Expenditures of Federal Awards.....	125
Notes to the Schedule of Expenditures of Federal Awards	129
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	131
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	133
Schedule of Findings and Questioned Costs.....	137
Prepared by Management:	
Summary Schedule of Prior Audit Findings	145
Corrective Action Plan.....	147

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Coshocton County
349 Main Street
Coshocton, Ohio 43812

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Coshocton County, Ohio (County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Coshocton County, Ohio, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective comparisons for the General, Human Services, Motor Vehicle License and Gasoline Tax, County Board of Developmental Disabilities, Emergency Ambulance Levy and American Rescue Plan Act funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Notes 3 and 23C to the financial statements, during 2022, the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2023, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

October 30, 2023

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COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

The management's discussion and analysis of Coshocton County's (the "County") financial performance provides an overall review of the County's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- The total net position of the County increased \$9,365,383 from 2021's net position of \$28,445,762.
- General revenues accounted for \$20,881,501 or 40.55% of total governmental activities revenue. Program specific revenues accounted for \$30,615,606 or 59.45% of total governmental activities revenue.
- The County had \$42,131,724 in expenses related to governmental activities; \$30,615,606 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$20,881,501 were adequate to provide for these programs.
- The County has seven major governmental funds. The general fund, the County's largest major governmental fund, had revenues and other financing sources of \$14,259,300 in 2022. The general fund had expenditures and other financing uses of \$16,311,491 in 2022. The general fund balance decreased \$2,052,191 from the 2021 fund balance.
- The human services fund, a County major fund, had revenues and other financing sources of \$3,573,214 and expenditures of \$3,554,436 in 2022. The human services fund balance increased \$18,778 from 2021 to 2022.
- The motor vehicle license and gasoline tax fund, a County major fund, had revenues of \$6,844,368 and expenditures of \$7,145,359 in 2022. The motor vehicle license and gasoline tax fund balance decreased \$300,991 from 2021 to 2022.
- The county board of developmental disabilities (the "county board of DD") fund, a County major fund, had revenues and other financing sources of \$5,999,297 and expenditures and other financing uses of \$5,246,815 in 2022. The county board of DD fund balance increased \$752,482 from 2021 to 2022.
- The emergency ambulance levy fund, a County major fund, had revenues and other financing sources of \$4,138,685 and expenditures of \$4,437,820 in 2022. The emergency ambulance levy fund balance decreased \$299,135 from 2021 to 2022.
- The American Rescue Plan Act fund, a County major fund, had revenues of \$3,131,588 and expenditures of \$3,131,588 in 2022.
- The capital projects fund, a County major fund, had other financing sources of \$60,275 and expenditures of \$9,698,298 in 2022. The capital projects fund balance decreased \$9,638,023 from 2021 to 2022.
- In the general fund, the actual revenues and other financing sources came in \$2,413,181 higher than they were originally budgeted, and actual expenditures and other financing uses were \$865,500 higher than the amount in the original budget. The County uses a conservative budgeting process.

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the County as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column. In the case of the County, there are seven major governmental funds: the general, human services, motor vehicle license and gasoline tax, county board of DD, emergency ambulance levy, American Rescue Plan Act funds and capital projects fund.

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities answer the question, "How did we do financially during 2022?" These statements include *all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net position and changes in that position. This change in net position is important because it tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the County's governmental activities include most of the County's programs and services including human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and State grants and other shared revenues.

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the general fund, human services, motor vehicle license and gasoline tax fund, the County Board of developmental disabilities (DD) fund, emergency ambulance levy fund, American Rescue Plan Act fund and capital projects fund. The analysis of the County's major governmental funds begins on page 12.

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental financial statements can be found on pages 24-36 of this report.

Proprietary Funds

The County maintains proprietary funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for a self-funded health insurance programs for employees of the County and several governmental units within the County. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 37-39 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 40-41 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 43-102 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's net pension and net OPEB asset/liability, along with contributions to the pension systems. The required supplementary information can be found on pages 104-123 of this report.

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Government-Wide Financial Analysis

The statement of net position provides the perspective of the County as a whole. The table below provides a summary of the County's net position at December 31, 2022 and December 31, 2021.

	<u>Governmental Activities</u>	
	Governmental	Restated
	Activities	Governmental
	2022	2021
	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Current and other assets	\$ 63,390,173	\$ 58,569,867
Capital assets, net	<u>30,160,747</u>	<u>24,078,761</u>
Total assets	<u>93,550,920</u>	<u>82,648,628</u>
<u>Deferred Outflows</u>		
Pension	5,442,333	3,289,767
OPEB	<u>155,332</u>	<u>1,200,578</u>
Total deferred outflows	<u>5,597,665</u>	<u>4,490,345</u>
<u>Liabilities</u>		
Long-term liabilities	13,303,130	30,048,590
Other liabilities	<u>22,087,852</u>	<u>5,439,446</u>
Total liabilities	<u>35,390,982</u>	<u>35,488,036</u>
<u>Deferred Inflows</u>		
Property taxes levied for the next fiscal year	9,186,429	9,254,547
Leases	7,141	9,283
Pension	12,901,519	7,752,933
OPEB	<u>3,851,369</u>	<u>6,188,412</u>
Total deferred inflows	<u>25,946,458</u>	<u>23,205,175</u>
<u>Net Position</u>		
Net investment in capital assets	25,037,043	22,999,532
Restricted	15,827,678	14,273,160
Unrestricted (deficit)	<u>(3,053,576)</u>	<u>(8,826,930)</u>
Total net position	<u>\$ 37,811,145</u>	<u>\$ 28,445,762</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension liability to the reported net position and subtracting deferred outflows related to pension and OPEB, net pension/OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability/asset. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability/asset to equal the County's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the County's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2022, the County's assets and deferred outflows exceeded liabilities and deferred inflows by \$37,811,145. The County's finances remained stable during 2022.

Capital assets reported on the government-wide statements represent the largest portion of the County's net position. At year-end, capital assets represented 32.24% of total assets. Capital assets include land, buildings and improvements, machinery and equipment, right to use assets, vehicles, infrastructure and software. Capital assets, net of related debt to acquire the assets at December 31, 2022, were \$25,037,043. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the County's net position, \$15,827,678 or 41.86% of total net position, represents resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit unrestricted net position of (\$2,001,541).

COSHOCTON COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

The following tables show the changes in net position for 2022 and 2021.

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 7,324,972	\$ 7,600,116
Operating grants and contributions	22,144,114	17,306,797
Capital grants and contributions	1,146,520	929,373
General revenues:		
Property taxes	9,296,243	9,015,629
Sales tax	9,184,977	7,158,587
Lodging excise taxes	111,034	93,176
Payment in lieu of taxes	2,844	2,224
Unrestricted grants	1,846,485	2,035,279
Investment earnings & change in investments	(330,997)	(88,428)
Miscellaneous	770,915	526,702
Total revenues	<u>51,497,107</u>	<u>44,579,455</u>
<u>Expenses</u>		
General government	6,519,886	4,268,084
Public safety	5,611,568	3,128,427
Public works	8,504,713	5,712,439
Health	8,634,087	6,142,951
Human services	9,626,144	8,391,734
Conservation and recreation	3,000	14,712
Intergovernmental	313,655	255,357
Other	2,833,566	2,302,953
Interest and fiscal charges	85,105	46,840
Total expenses	<u>42,131,724</u>	<u>30,263,497</u>
Special items	<u>-</u>	<u>2,697,606</u>
Change in net position	9,365,383	17,013,564
Net position at beginning of year	<u>28,445,762</u>	<u>11,432,198</u>
Net position at end of year	<u>\$ 37,811,145</u>	<u>\$ 28,445,762</u>

Governmental Activities

Governmental activities net position increased \$9,365,383 or 32.92% during 2022.

Governmental activities capital grants and contributions revenue increased 23.36% from \$929,373 in 2021 to \$1,146,520 in 2022.

The State and federal government contributed to the County revenues of \$22,144,114 in the form of operating grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$7,919,217 or 35.76% subsidized human services. Operating grants and contributions increased 27.95% in 2022 due to an increase in various grants, including those related to small cities grants.

General revenues totaled \$20,881,501 and amounted to 40.55% of total revenues. These revenues primarily consist of property and sales tax revenue of \$18,481,220 or 35.89% of total revenues in 2022. Property tax revenue increased \$280,614 from 2021 to 2022. The County sales tax revenue increased \$2,026,390 from 2021 to 2022.

COSHOCTON COUNTY, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Expenses of the governmental activities increased \$11,868,227 or 39.22%. This increase is primarily the result of lower than normal expenses in 2021 due to the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS). The 2022 governmental activities expenses are comparable to the 2020 governmental activities expenses.

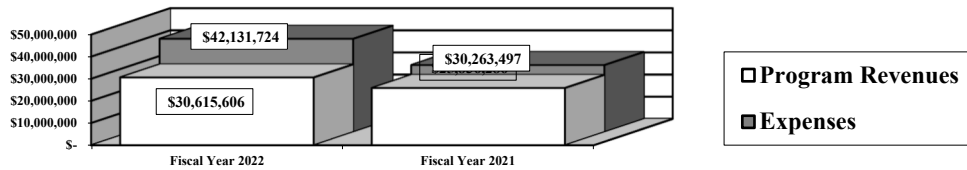
General government expenses including legislative and executive and judicial programs, totaled \$6,519,886 or 15.48% of total governmental expenses. General government expenses were covered by \$2,694,487 of direct charges to users in 2022.

Public works expenses primarily relate to road and bridge construction and repair projects undertaken by the County. The increase in this expense versus the prior year relates primarily to increases in projects undertaken.

Human services expenses support the operations of public assistance and the children services board, and accounts for \$9,626,144 of expenses, or 22.85% of total governmental expenses of the County. These expenses were funded by \$467,958 in charges to users of services and \$7,919,217 in operating grants.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The graph below shows the County’s total expenses and the portion of those expenses which are offset by specific program revenues:

Governmental Activities - Program Revenues vs. Total Expenses



COSHOCTON COUNTY, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

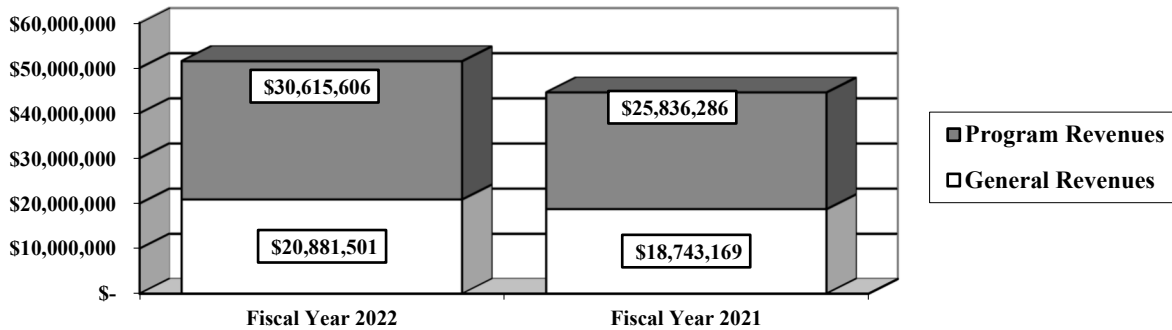
The following table shows, for governmental activities, the total cost of services and the net cost of services for 2021 and 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
Expenses:				
General government	\$ 6,519,886	\$ 2,736,411	\$ 4,268,084	\$ 470,741
Public safety	5,611,568	2,368,467	3,128,427	61,427
Public works	8,504,713	(76,610)	5,712,439	(1,868,269)
Health	8,634,087	5,145,143	6,142,951	3,178,722
Human services	9,626,144	1,238,969	8,391,734	(28,948)
Conservation and recreation	3,000	3,000	14,712	14,712
Intergovernmental	313,655	313,655	255,357	255,357
Other	2,833,566	(298,022)	2,302,953	2,302,953
Interest and fiscal charges	<u>85,105</u>	<u>85,105</u>	<u>46,840</u>	<u>40,516</u>
Total expenses	<u>\$ 42,131,724</u>	<u>\$ 11,516,118</u>	<u>\$ 30,263,497</u>	<u>\$ 4,427,211</u>

The dependence upon general revenues for governmental activities is apparent, with 27.33% and 14.63% of expenses supported through taxes and other general revenues during 2022 and 2021, respectively.

The graph below shows the total general revenues and program revenues of the County for 2021 and 2022.

Governmental Activities - General and Program Revenues



Financial Analysis of the County’s Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, an unassigned fund balance may serve as a useful measure of the County's net resources available for spending at year-end.

The County's governmental funds reported a combined fund balance of \$21,331,173, which is less than last year's balance of \$35,182,468. The County's governmental funds are presented on the balance sheet on pages 24-25. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2022 for all major and nonmajor governmental funds.

	Fund Balance <u>December 31, 2022</u>	(Deficit) Fund Balance <u>December 31, 2021</u>	Increase/ <u>(Decrease)</u>
Major Funds:			
General	\$ 3,610,454	\$ 5,662,645	\$ (2,052,191)
Human services	6,354	(12,424)	18,778
Motor vehicle license and gasoline tax	3,864,287	4,165,278	(300,991)
County board of DD	5,898,440	5,145,958	752,482
Emergency ambulance levy	1,295,992	1,595,127	(299,135)
Capital projects	2,161,977	11,800,000	(9,638,023)
Other nonmajor governmental funds	<u>4,493,669</u>	<u>6,825,884</u>	<u>(2,332,215)</u>
Total	<u>\$ 21,331,173</u>	<u>\$ 35,182,468</u>	<u>\$ (13,851,295)</u>

General Fund

The general fund is the operating fund of the County. At the end of the year, the fund balance of the general fund was \$3,610,454, a 36.24% decrease from 2021. The decrease of the general fund balance in 2022 was due to the County's revenues barely covering the increasing expenditures combined with the general fund's \$1,564,147 transfer out.

The table that follows assists in illustrating the revenues of the general fund.

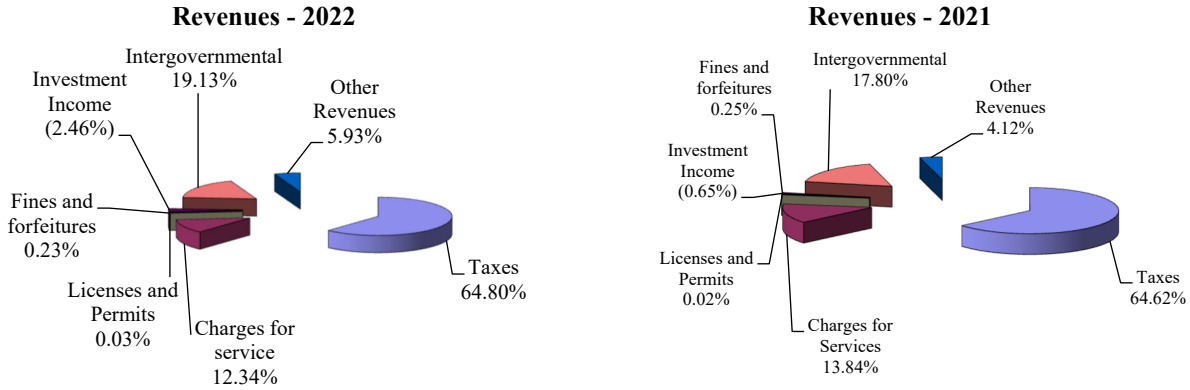
	<u>2022</u> <u>Amount</u>	<u>2021</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Revenues				
Taxes	\$ 9,216,402	\$ 8,769,073	\$ 447,329	5.10 %
Charges for services	1,755,738	1,878,048	(122,310)	(6.51) %
Licenses and permits	3,925	3,461	464	13.41 %
Fines and forfeitures	32,905	33,989	(1,084)	(3.19) %
Intergovernmental	2,721,188	2,415,760	305,428	12.64 %
Investment income & change in fair value	(349,398)	(88,040)	(261,358)	(296.86) %
Other	<u>843,373</u>	<u>558,614</u>	<u>284,759</u>	50.98 %
Total	<u>\$ 14,224,133</u>	<u>\$ 13,570,905</u>	<u>\$ 653,228</u>	4.81 %

Tax revenue represents 64.80% of all general fund revenue. The decrease in investment income & change in fair value of investments is due to the decrease in fair market value of the County's investments. The fair value change in investments results from the timing of investment purchases. The County usually holds investments until maturity, this fluctuation in investments is a result of the market activity at year-end, not an actual loss realized by the County. The increase in intergovernmental revenues is primarily due to an increase in casino tax revenues, local government taxes and various reimbursements. The increase in other revenues was due mainly to a workers compensation reimbursement that was received in the current year and not in the previous year. All other revenue remained comparable to 2021.

COSHOCTON COUNTY, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

The graphs below show the breakdown of revenues, by source, for 2022 and 2021.



The table that follows assists in illustrating the expenditures of the general fund.

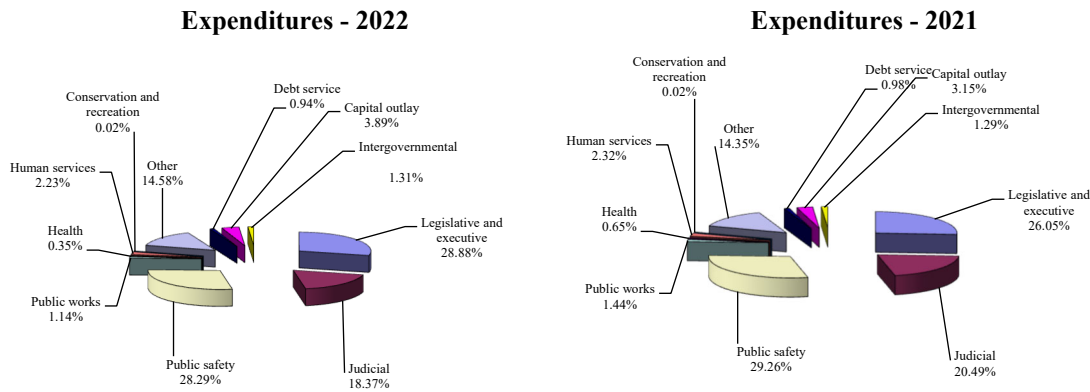
<u>Expenditures</u>	<u>2022 Amount</u>	<u>2021 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General government				
Legislative and executive	\$ 4,259,592	\$ 3,489,386	\$ 770,206	22.07 %
Judicial	2,709,600	2,744,801	(35,201)	(1.28) %
Public safety	4,171,949	3,919,859	252,090	6.43 %
Public works	167,862	192,752	(24,890)	(12.91) %
Health	52,261	87,286	(35,025)	(40.13) %
Human services	328,471	310,775	17,696	5.69 %
Conservation and recreation	3,000	2,200	800	36.36 %
Other	2,149,606	1,923,963	225,643	11.73 %
Capital outlay	573,428	421,563	151,865	36.02 %
Intergovernmental	192,800	172,800	20,000	11.57 %
Debt service	138,775	131,401	7,374	5.61 %
Total	\$ 14,747,344	\$ 13,396,786	\$ 1,350,558	10.08 %

Expenditures related to legislative and executive expenditures increased due to an increase in costs related to commissioners, auditor, treasurer, prosecuting attorney and board of elections expenditures. Judicial costs decreased due to a decrease in expenditures related to common pleas and probation grants. Public safety expenditures increased due to an increase in costs related to sheriff and jail operations. During 2022, capital outlay expenditures increased due to an increase in project costs. All other expenditures remained comparable to the prior year.

COSHOCTON COUNTY, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

The graphs below show the breakdown of expenditures, by function, for 2022 and 2021.



Human Services Fund

The human services fund, a County major fund, had revenues and other financing sources of \$3,573,214 and expenditures of \$3,554,436 in 2022. The human services fund balance increased \$18,778 from 2021 to 2022.

Motor Vehicle License and Gasoline Tax Fund

The motor vehicle license and gasoline tax fund, a County major fund, had revenues of \$6,844,368 and expenditures of \$7,145,359 in 2022. The motor vehicle license and gasoline tax fund balance decreased \$300,991 from 2021 to 2022.

County Board of Developmental Disabilities (County Board of DD)

The county board of developmental disabilities (the “county board of DD”) fund, a County major fund, had revenues and other financing sources of \$5,999,297 and expenditures and other financing uses of \$5,246,815 in 2022. The county board of DD fund balance increased \$752,482 from 2021 to 2022.

Emergency Ambulance Levy Fund

The emergency ambulance levy fund, a County major fund, had revenues and other financing sources of \$4,138,685 and expenditures of \$4,437,820 in 2022. The emergency ambulance levy fund balance decreased \$299,135 from 2021 to 2022.

American Rescue Plan Act Fund

The American Rescue Plan Act fund, a County major fund, had revenues of \$3,131,588 and expenditures of \$3,131,588 in 2022.

Capital Projects Fund

The capital projects fund, a County major fund, had other financing sources of \$60,275 and expenditures of \$9,698,298 in 2022. The capital projects fund balance decreased \$9,638,023 from 2021 to 2022.

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Budgeting Highlights - General Fund

The County's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the County's appropriations which are restricted by the amounts of anticipated resources certified by the Budget Commission in accordance with the ORC. Therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly. In the general fund, there were significant changes between the original and final budget. Final budgeted revenues and other financing sources were increased \$2,400,199 from the original budgeted revenues and other financing sources. Actual revenues and other financing sources of \$15,560,904 were \$12,982 more than final budgeted revenues and other financing sources. Final budgeted expenditures and other financing uses were increased \$1,713,116 from the original budgeted expenditures and other financing uses. Actual expenditures and other financing uses of \$16,924,090 were \$847,616 less than final budgeted expenditures and other financing uses.

Capital Assets and Debt Administration

Capital Assets

At the end of 2022, the County had \$30,160,747 (net of accumulated depreciation/amortization) invested in land, construction in progress, buildings and improvements, machinery and equipment, right to use assets, vehicles, infrastructure and software.

The following table shows 2022 balances compared to the 2021 balances:

**Capital Assets at December 31
(Net of Depreciation)**

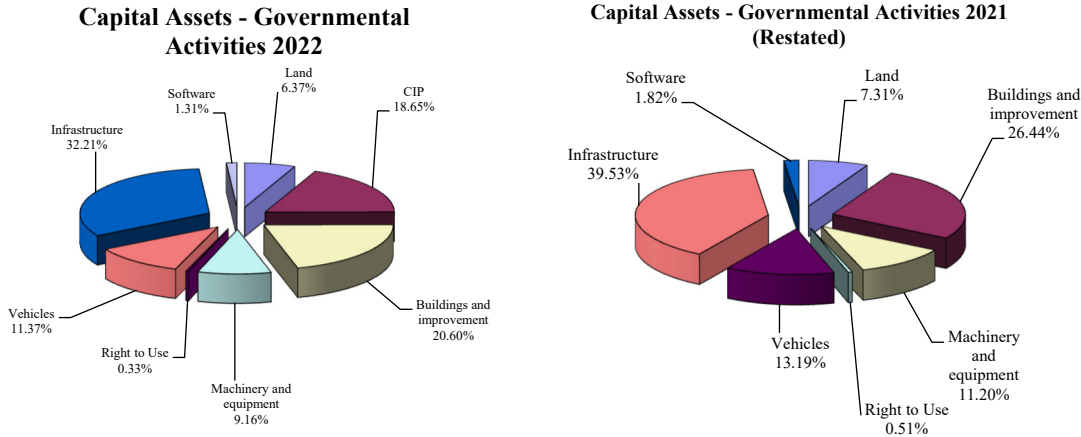
	Governmental Activities	Restated Governmental Activities
	<u>2022</u>	<u>2021</u>
Land	\$ 1,920,884	\$ 1,757,122
Construction in progress	5,624,788	-
Building and improvements	6,214,540	6,366,654
Machinery and equipment	2,761,257	2,697,459
Right to use - equipment	90,191	113,163
Right to uses - land	9,068	10,735
Vehicles	3,430,119	3,177,058
Infrastructure	9,715,001	9,518,621
Software	<u>394,899</u>	<u>437,949</u>
Total	<u>\$ 30,160,747</u>	<u>\$ 24,078,761</u>

See Note 12 to the basic financial statements for detail on governmental activities capital assets.

COSHOCTON COUNTY, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

The following graphs show the breakdown of governmental capital assets by category for 2022 and 2021.



The County’s largest governmental capital asset category is infrastructure which includes roads, bridge and culverts. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County’s infrastructure (cost less accumulated depreciation) represents approximately, 32.10% of the County’s total governmental capital assets.

Debt Administration

At December 31, 2022, governmental activities had notes payable of \$344,584, leases payable of \$106,183 and note payable – financed purchases outstanding of \$444,250 outstanding. Of this total, \$291,410 is due within one year and \$603,607 is due in greater than one year. The following table summarizes the debt obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2022	Restated Governmental Activities 2021
Long-Term Obligations		
Notes payable	\$ 344,584	\$ 10,390,168
Lease payable	106,183	133,123
Note payable - financed purchases	<u>444,250</u>	<u>733,380</u>
Total	<u><u>\$ 895,017</u></u>	<u><u>\$ 11,256,671</u></u>

See Note 13 to the basic financial statements for detail on governmental activities outstanding debt.

Economic Factors and Next Year’s Budgets and Rates

According to the U.S. Census Bureau, Coshocton County’s estimated population for 2022 is 36,621, up a negligible amount from the 2020 Census of 36,612. The U.S. Bureau of Labor Statistics reported Coshocton County’s unadjusted unemployment rate at 4.5% at December 2022. With their report of Ohio’s unadjusted 2021 annual unemployment rate at 4.2%, Coshocton County ended the year at 0.3% higher than Ohio’s rate.

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

The county's adjusted general fund 2022 carryover cash balance was \$3.68 million. This is a 11.5% decrease from 2021 carryover. This is partly due to Coshocton County's elected and appointed officials, working together with the Board of Commissioners and the Auditor, certifying cautious revenue estimates and conservative budgets.

At the end of 2022, county sales tax collections were up 23.25%, or a little more than \$1,600,000 over 2021 collections. In the first quarter of 2023, collections were up slightly, with a 35.01% increase in collection over 2022 during the same period.

In addition to the financial side of the government, the Board of County Commissioners work closely with the Coshocton Port Authority (CPA) to develop existing and new business and industry. The CPA had following new and major economic development projects during calendar year 2022:

- The Coshocton Port Authority connected several businesses to local, regional and state support resulting in new business openings and existing business expansions.
 - A few examples include: Genesis Coshocton Medical Center, McWane Ductile, MFM Building Products
- The Coshocton Port Authority collaborated with the Coshocton Chamber of Commerce and Ohio Means Jobs in the creation of a local workforce advisory committee, connecting our local industries directly to leadership teams at our local school districts to enhance communication resulting in increased employment and internships with our community youth.
- Hosted a Banker's Breakfast featuring funding sources that may assist borrowers in closing gaps in their lending needs.
- Joined partners in the creation of the "At Work in Appalachia Program", connecting Appalachia Regions with a robust entrepreneurial network consisting of co-working, maker-space and business incubation locations. Applied for Round 1 of the Appalachia Community Grant program.
- Worked on Building Demolition, Site Revitalization and Brownfield projects throughout the County utilizing state funding through the Ohio Department of Development.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Honorable Grant K. Daugherty, Coshocton County Auditor, at 349 Main Street – Room 101, Coshocton, Ohio 43812.

**BASIC
FINANCIAL STATEMENTS**

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COSHOCTON COUNTY, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary	Component Units	
	Government	Coshocton County	
	Governmental Activities	Regional Airport Authority	Land Reutilization Corporation
Assets:			
Equity in pooled cash and investments	\$ 37,838,267	\$ 112,094	\$ 147,814
Cash with fiscal agent	2,725,800	-	-
Cash in segregated accounts	47,322	-	-
Receivables:			
Sales taxes	2,506,984	-	-
Real and other taxes	9,467,691	-	-
Accounts	474,362	7,157	-
Accrued interest	73,739	814	-
Due from other governments	5,388,495	-	-
Leases	6,883	230,783	-
Prepayments	219,910	-	-
Materials and supplies inventory	402,390	-	-
Assets held for resale	-	61,941	165,480
Net OPEB asset	3,737,877	-	-
Net pension asset	500,453	-	-
Capital assets:			
Land and construction in progress	7,545,672	189,296	-
Depreciable capital assets, net	22,615,075	2,859,227	-
Total capital assets, net	30,160,747	3,048,523	-
Total assets	93,550,920	3,461,312	313,294
Deferred outflows of resources:			
Pension	5,442,333	-	-
OPEB	155,332	-	-
Total deferred outflows of resources	5,597,665	-	-
Liabilities:			
Accounts payable	599,451	5,527	-
Contracts payable	831,733	-	-
Retainage payable	158,519	-	-
Accrued wages and benefits payable	729,545	-	-
Due to other governments	961,024	-	-
Accrued interest payable	6,070	-	-
Claims payable	829,322	-	-
Note payable	14,165,000	-	-
Real estate tax payable	-	13,434	-
Payroll withholdings payable	152,528	-	-
Other accrued expenses	-	6,899	-
Unearned revenue	3,654,660	65,142	-
Long-term liabilities:			
Due within one year	1,595,380	-	-
Due in more than one year:			
Net pension liability	10,950,791	-	-
Other amounts due in more than one year	756,959	-	-
Total liabilities	35,390,982	91,002	-
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	9,186,429	-	-
Leases	7,141	243,741	-
Pension	12,901,519	-	-
OPEB	3,851,369	-	-
Total deferred inflows of resources	25,946,458	243,741	-
Net position:			
Net investment in capital assets	25,037,043	3,048,523	-
Restricted for:			
Capital projects	2,706,587	-	-
Debt service	1,799,437	-	-
Public works projects	4,410,103	-	-
Human services programs	667,515	-	-
Health programs	4,481,657	-	-
General government operations	682,235	-	-
Public safety programs	1,073,552	-	-
Other purposes	6,592	-	-
Unrestricted (deficit)	(3,053,576)	78,046	313,294
Total net position	\$ 37,811,145	\$ 3,126,569	\$ 313,294

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Current:				
General government:				
Legislative and executive	\$ 4,214,701	\$ 2,478,343	\$ 201,418	\$ 17,752
Judicial	2,305,185	216,144	869,818	-
Public safety	5,611,568	2,466,001	777,100	-
Public works	8,504,713	59,429	7,393,126	1,128,768
Health	8,634,087	1,637,097	1,851,847	-
Human services	9,626,144	467,958	7,919,217	-
Conservation and recreation	3,000	-	-	-
Intergovernmental	313,655	-	-	-
Other	2,833,566	-	3,131,588	-
Interest and fiscal charges	85,105	-	-	-
Total primary government	<u>\$ 42,131,724</u>	<u>\$ 7,324,972</u>	<u>\$ 22,144,114</u>	<u>\$ 1,146,520</u>
Component units:				
Regional Airport Authority	\$ 940,036	\$ 317,083	\$ 39,878	\$ 273,713
Coshocton County Land Reutilization Corporation	103,538	-	250,410	-
Total component units	<u>\$ 1,043,574</u>	<u>\$ 317,083</u>	<u>\$ 290,288</u>	<u>\$ 273,713</u>
Totals	<u>\$ 43,175,298</u>	<u>\$ 7,642,055</u>	<u>\$ 22,434,402</u>	<u>\$ 1,420,233</u>

General revenues:

Property taxes levied for:

 General purposes

 Health

 Human services

 Public safety

Sales taxes levied for:

 General purposes

 Debt service

Lodging excise tax

Payment in lieu of taxes

Grants and entitlements not restricted to specific programs

Unrestricted investment earnings

Change in fair value of investments

Contributions and donations not restricted to specific programs

Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue and
Changes in Net Position**

Primary Government	Component Units	
Governmental Activities	Regional Airport Authority	Coshocton County Land Reutilization Corporation
\$ (1,517,188)	\$ -	\$ -
(1,219,223)	-	-
(2,368,467)	-	-
76,610	-	-
(5,145,143)	-	-
(1,238,969)	-	-
(3,000)	-	-
(313,655)	-	-
298,022	-	-
(85,105)	-	-
<u>(11,516,118)</u>	<u>-</u>	<u>-</u>
-	(309,362)	-
-	-	146,872
<u>-</u>	<u>(309,362)</u>	<u>146,872</u>
<u>(11,516,118)</u>	<u>(309,362)</u>	<u>146,872</u>
1,909,167	-	-
6,097,798	-	-
1,193,163	-	-
96,115	-	-
7,334,989	-	-
1,849,988	-	-
111,034	-	-
2,844	-	-
1,846,485	-	-
402,913	1,895	49
(733,910)	-	-
-	-	45,371
<u>770,915</u>	<u>2,546</u>	<u>8,015</u>
<u>20,881,501</u>	<u>4,441</u>	<u>53,435</u>
9,365,383	(304,921)	200,307
<u>28,445,762</u>	<u>3,431,490</u>	<u>112,987</u>
<u>\$ 37,811,145</u>	<u>\$ 3,126,569</u>	<u>\$ 313,294</u>

COSHOCTON COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	<u>General</u>	<u>Human Services</u>	<u>Motor Vehicle License and Gasoline Tax</u>	<u>County Board of DD</u>
Assets:				
Equity in pooled cash and investments	\$ 3,744,726	\$ 308,940	\$ 3,362,027	\$ 3,954,939
Cash with fiscal agent	-	-	-	2,066,505
Cash in segregated accounts	33,823	-	-	-
Receivables:				
Sales taxes	1,879,664	-	-	-
Real and other taxes	1,923,595	-	-	3,615,346
Accounts	34,085	2,801	-	-
Accrued interest	73,739	-	-	-
Due from other governments	1,275,691	155,303	2,663,599	108,537
Leases	6,883	-	-	-
Interfund loans	7,000	-	-	-
Due from other funds	32,497	240,025	-	-
Prepayments	219,910	-	-	-
Materials and supplies inventory	66,616	1,796	231,782	957
Total assets	<u>\$ 9,298,229</u>	<u>\$ 708,865</u>	<u>\$ 6,257,408</u>	<u>\$ 9,746,284</u>
Liabilities:				
Accounts payable	\$ 105,715	\$ 39,529	\$ 72,624	\$ 6,775
Contracts payable	-	-	-	-
Retainage payable	-	-	-	-
Accrued wages and benefits payable	281,984	82,823	53,129	70,892
Compensated absences payable	13,925	-	-	1,433
Due to other governments	687,044	51,035	29,037	44,861
Interfund loans payable	-	-	-	-
Due to other funds	514	42,074	-	-
Unearned revenue	-	-	-	-
Payroll withholdings payable	152,528	-	-	-
Note payable	630,000	-	-	-
Total liabilities	<u>1,871,710</u>	<u>215,461</u>	<u>154,790</u>	<u>123,961</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	1,873,269	-	-	3,508,023
Delinquent property tax revenue not available	49,828	-	-	107,323
Accrued interest not available	49,917	-	-	-
Leases	7,141	-	-	-
Sales tax revenue not available	1,275,337	-	-	-
Miscellaneous revenue not available	13,314	-	-	-
Other nonexchange transactions not available	547,259	487,050	2,238,331	108,537
Total deferred inflows of resources	<u>3,816,065</u>	<u>487,050</u>	<u>2,238,331</u>	<u>3,723,883</u>
Total liabilities and deferred inflows of resources	<u>5,687,775</u>	<u>702,511</u>	<u>2,393,121</u>	<u>3,847,844</u>
Fund balances:				
Nonspendable	428,226	1,796	231,782	957
Restricted	-	4,558	3,632,505	5,897,483
Committed	-	-	-	-
Assigned	2,867,093	-	-	-
Unassigned (deficit)	315,135	-	-	-
Total fund balances (deficit)	<u>3,610,454</u>	<u>6,354</u>	<u>3,864,287</u>	<u>5,898,440</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,298,229</u>	<u>\$ 708,865</u>	<u>\$ 6,257,408</u>	<u>\$ 9,746,284</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Emergency Ambulance Levy	American Rescue Plan Act	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,232,643	\$ 3,654,241	\$ 12,870,584	\$ 8,508,473	\$ 37,636,573
-	-	-	-	2,066,505
-	-	-	13,499	47,322
-	-	-	627,320	2,506,984
2,568,278	-	-	1,360,472	9,467,691
331,051	-	-	21,413	389,350
-	-	-	-	73,739
109,238	-	-	1,076,127	5,388,495
-	-	-	-	6,883
-	-	-	-	7,000
-	-	-	33,997	306,519
-	-	-	-	219,910
79,853	-	-	21,386	402,390
<u>\$ 4,321,063</u>	<u>\$ 3,654,241</u>	<u>\$ 12,870,584</u>	<u>\$ 11,662,687</u>	<u>\$ 58,519,361</u>
\$ 19,859	\$ 5,965	\$ 270,898	\$ 72,911	\$ 594,276
-	-	363,105	468,628	831,733
-	-	74,604	83,915	158,519
105,689	-	-	132,878	727,395
-	-	-	-	15,358
60,420	-	-	87,451	959,848
-	-	-	7,000	7,000
37	-	-	263,894	306,519
-	3,648,276	-	6,384	3,654,660
-	-	-	-	152,528
-	-	10,000,000	3,535,000	14,165,000
<u>186,005</u>	<u>3,654,241</u>	<u>10,708,607</u>	<u>4,658,061</u>	<u>21,572,836</u>
2,491,619	-	-	1,313,518	9,186,429
76,659	-	-	46,954	280,764
-	-	-	-	49,917
-	-	-	-	7,141
-	-	-	426,430	1,701,767
161,550	-	-	36,073	210,937
109,238	-	-	687,982	4,178,397
<u>2,839,066</u>	<u>-</u>	<u>-</u>	<u>2,510,957</u>	<u>15,615,352</u>
<u>3,025,071</u>	<u>3,654,241</u>	<u>10,708,607</u>	<u>7,169,018</u>	<u>37,188,188</u>
79,853	-	-	21,386	764,000
-	-	2,161,977	5,151,118	16,847,641
1,216,139	-	-	821,328	2,037,467
-	-	-	-	2,867,093
-	-	-	(1,500,163)	(1,185,028)
<u>1,295,992</u>	<u>-</u>	<u>2,161,977</u>	<u>4,493,669</u>	<u>21,331,173</u>
<u>\$ 4,321,063</u>	<u>\$ 3,654,241</u>	<u>\$ 12,870,584</u>	<u>\$ 11,662,687</u>	<u>\$ 58,519,361</u>

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COSHOCTON COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

Total governmental fund balances		\$ 21,331,173
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		30,160,747
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 280,764	
Sales taxes receivable	1,701,767	
Accounts receivable	210,937	
Intergovernmental revenues receivable	4,178,397	
Accrued interest receivable	49,917	
Total	<u>6,421,782</u>	6,421,782
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		63,800
On the statement of net position, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is accrued when due.		(6,070)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	499,150	
Deferred outflows of resources	5,427,782	
Deferred inflows of resources	(12,868,247)	
Net pension liability	(10,923,673)	
Total	<u>(17,864,988)</u>	(17,864,988)
The net OPEB asset is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB asset	3,728,308	
Deferred outflows of resources	154,857	
Deferred inflows of resources	(3,841,483)	
Total	<u>41,682</u>	41,682
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,441,964)	
Lease payable	(106,183)	
Note payable - financed purchase	(444,250)	
Notes payable	(344,584)	
Total	<u>(2,336,981)</u>	(2,336,981)
Net position of governmental activities		<u>\$ 37,811,145</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Human Services	Motor Vehicle License and Gasoline Tax	County Board of DD	Emergency Ambulance Levy
Revenues:					
Property taxes	\$ 1,907,876	\$ -	\$ -	\$ 3,577,152	\$ 2,517,715
Sales taxes	7,308,526	-	-	-	-
Payment in lieu of taxes	657	-	-	1,033	747
Charges for services	1,755,738	-	-	161,842	1,048,737
Licenses and permits	3,925	-	-	-	-
Fines and forfeitures	32,905	-	39,835	-	-
Intergovernmental	2,721,188	3,457,216	6,642,946	1,447,024	267,349
Investment income	384,512	-	254	47,033	-
Rental income	69,397	-	-	-	-
Contributions and donations	171,968	-	-	40,645	79,086
Change in fair value of investments	(733,910)	-	-	-	-
Lodging taxes	-	-	-	-	-
Other	601,351	8,351	161,333	94,568	222,252
Total revenues	14,224,133	3,465,567	6,844,368	5,369,297	4,135,886
Expenditures:					
Current:					
General government:					
Legislative and executive	4,259,592	-	-	-	-
Judicial	2,709,600	-	-	-	-
Public safety	4,171,949	-	-	-	-
Public works	167,862	-	7,059,589	-	-
Health	52,261	-	-	5,116,815	4,352,618
Human services	328,471	3,554,436	-	-	-
Conservation and recreation	3,000	-	-	-	-
Other	2,149,606	-	-	-	-
Capital outlay	573,428	-	-	-	-
Intergovernmental	192,800	-	-	-	-
Debt service:					
Principal retirement	121,733	-	74,395	-	81,634
Interest and fiscal charges	17,042	-	11,375	-	3,568
Note issuance costs	-	-	-	-	-
Total expenditures	14,747,344	3,554,436	7,145,359	5,116,815	4,437,820
Excess (deficiency) of revenues over (under) expenditures	(523,211)	(88,869)	(300,991)	252,482	(301,934)
Other financing sources (uses):					
Sale of capital assets	4,234	-	-	-	2,799
Lease transaction	5,729	-	-	-	-
Transfers in	-	107,647	-	630,000	-
Transfers (out)	(1,564,147)	-	-	(130,000)	-
Premium on note issuance	-	-	-	-	-
Insurance proceeds	25,204	-	-	-	-
Total other financing sources (uses)	(1,528,980)	107,647	-	500,000	2,799
Net change in fund balances	(2,052,191)	18,778	(300,991)	752,482	(299,135)
Fund balances at beginning of year	5,662,645	(12,424)	4,165,278	5,145,958	1,595,127
Fund balances (deficit) at end of year	\$ 3,610,454	\$ 6,354	\$ 3,864,287	\$ 5,898,440	\$ 1,295,992

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

American Rescue Plan Act	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,288,530	\$ 9,291,273
-	-	1,423,558	8,732,084
-	-	407	2,844
-	-	3,935,867	6,902,184
-	-	149,693	153,618
-	-	105,324	178,064
3,130,277	-	6,380,289	24,046,289
-	-	12	431,811
-	-	2,400	71,797
-	-	675	292,374
-	-	-	(733,910)
-	-	111,034	111,034
1,311	-	612,758	1,701,924
<u>3,131,588</u>	<u>-</u>	<u>14,010,547</u>	<u>51,181,386</u>
-	-	810,698	5,070,290
-	-	49,828	2,759,428
-	-	3,075,018	7,246,967
-	-	1,268,684	8,496,135
-	-	515,504	10,037,198
-	-	6,652,218	10,535,125
-	-	-	3,000
3,131,588	-	1,110	5,282,304
-	2,178,004	1,877,985	4,629,417
-	-	120,855	313,655
-	7,500,000	2,589,621	10,367,383
-	-	27,159	59,144
-	20,294	10,582	30,876
<u>3,131,588</u>	<u>9,698,298</u>	<u>16,999,262</u>	<u>64,830,922</u>
-	(9,698,298)	(2,988,715)	(13,649,536)
-	-	-	7,033
-	-	-	5,729
-	-	656,500	1,394,147
-	-	-	(1,694,147)
-	60,275	-	60,275
-	-	-	25,204
-	<u>60,275</u>	<u>656,500</u>	<u>(201,759)</u>
-	(9,638,023)	(2,332,215)	(13,851,295)
-	11,800,000	6,825,884	35,182,468
<u>\$ -</u>	<u>\$ 2,161,977</u>	<u>\$ 4,493,669</u>	<u>\$ 21,331,173</u>

COSHOCTON COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balances - total governmental funds	\$	(13,851,295)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Capital outlays exceeded depreciation expense in the current period accordingly.		
Capital asset additions	\$ 8,280,831	
Current year depreciation	<u>(2,012,805)</u>	
Total		6,268,026
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(186,040)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	4,472	
Sales taxes	452,893	
Intergovernmental	(363,521)	
Charges for services	48,750	
Investment income	18,401	
Other	<u>122,489</u>	
Total		283,484
Repayment of note, lease and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		10,367,383
Proceeds of leases are recognized as other financing sources in the governmental funds, however, they are not reported as revenues as they increase liabilities on the statement of net position.		(5,729)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported in the statement of activities:		
Decrease in accrued interest payable		4,915
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	2,659,009	
OPEB	<u>12,418</u>	
Total		2,671,427
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB asset/liability are reported as pension/OPEB expense in the statement of activities.		
Pension	898,791	
OPEB	<u>2,945,812</u>	
Total		3,844,603
Some expenses reported in the statement of activities such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		12,239
The internal service fund used by management to charge the cost of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		<u>(43,630)</u>
Change in net position of governmental activities	\$	<u>9,365,383</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 1,864,100	\$ 1,904,200	\$ 1,904,662	\$ 462
Sales taxes	6,500,000	7,321,000	7,321,189	189
Payment in lieu of taxes	900	900	657	(243)
Charges for services	1,441,500	1,490,395	1,468,242	(22,153)
Licenses and permits	2,700	3,775	3,925	150
Fines and forfeitures	32,150	32,150	32,388	238
Intergovernmental	2,180,532	2,685,849	2,707,485	21,636
Investment income	239,062	309,062	308,429	(633)
Rental income	79,200	79,200	69,655	(9,545)
Contributions and donations	-	159,967	171,968	12,001
Other	266,800	391,307	403,749	12,442
Total revenues	<u>12,606,944</u>	<u>14,377,805</u>	<u>14,392,349</u>	<u>14,544</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	4,133,133	4,358,314	4,193,315	164,999
Judicial	3,040,346	3,033,821	2,774,150	259,671
Public safety	4,425,461	4,452,909	4,369,414	83,495
Public works	198,940	198,940	176,962	21,978
Health	80,675	79,922	79,922	-
Human services	383,172	379,796	338,294	41,502
Conservation and recreation	2,700	3,000	3,000	-
Capital outlay	654,134	1,044,797	979,069	65,728
Intergovernmental	192,800	192,800	192,800	-
Other	1,986,780	2,095,447	2,093,210	2,237
Debt service:				
Principal retirement	121,189	121,189	121,189	-
Interest and fiscal charges	17,033	17,033	17,033	-
Total expenditures	<u>15,236,363</u>	<u>15,977,968</u>	<u>15,338,358</u>	<u>639,610</u>
Excess of expenditures over revenues	<u>(2,629,419)</u>	<u>(1,600,163)</u>	<u>(946,009)</u>	<u>654,154</u>
Other financing sources (uses):				
Sale of capital assets	25,000	4,076	4,234	158
Advances in	314,000	307,000	307,000	-
Advances (out)	(15,000)	(15,000)	(7,000)	8,000
Transfers in	-	3,000	2,721	(279)
Transfers (out)	(404,647)	(1,576,147)	(1,576,147)	-
Lease transaction	5,729	5,729	5,729	-
Note proceeds	-	630,000	630,000	-
Insurance proceeds	30,000	27,372	27,372	-
Other financing sources	166,050	192,940	191,499	(1,441)
Other financing uses	(2,580)	(2,591)	(2,585)	6
Contingencies	(400,000)	(200,000)	-	200,000
Total other financing sources (uses)	<u>(281,448)</u>	<u>(623,621)</u>	<u>(417,177)</u>	<u>206,444</u>
Net change in fund balances	(2,910,867)	(2,223,784)	(1,363,186)	860,598
Fund balances at beginning of year	3,655,244	3,655,244	3,655,244	-
Prior year encumbrances appropriated	505,577	505,577	505,577	-
Fund balance at end of year	<u>\$ 1,249,954</u>	<u>\$ 1,937,037</u>	<u>\$ 2,797,635</u>	<u>\$ 860,598</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HUMAN SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 3,584,000	\$ 3,280,263	\$ 3,304,828	\$ 24,565
Other	100	7,068	6,351	(717)
Total revenues	<u>3,584,100</u>	<u>3,287,331</u>	<u>3,311,179</u>	<u>23,848</u>
Expenditures:				
Current:				
Human services	3,849,060	3,542,389	3,377,305	165,084
Total expenditures	<u>3,849,060</u>	<u>3,542,389</u>	<u>3,377,305</u>	<u>165,084</u>
Excess of expenditures over revenues	<u>(264,960)</u>	<u>(255,058)</u>	<u>(66,126)</u>	<u>188,932</u>
Other financing sources:				
Transfers in	107,647	107,647	107,647	-
Other financing sources	30,000	7,500	7,698	198
Total other financing sources	<u>137,647</u>	<u>115,147</u>	<u>115,345</u>	<u>198</u>
Net change in fund balances	(127,313)	(139,911)	49,219	189,130
Fund balances at beginning of year	7,460	7,460	7,460	-
Prior year encumbrances appropriated	132,451	132,451	132,451	-
Fund balance at end of year	<u>\$ 12,598</u>	<u>\$ -</u>	<u>\$ 189,130</u>	<u>\$ 189,130</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE LICENSE AND GAS TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines and forfeitures	\$ 35,000	\$ 36,867	\$ 40,067	\$ 3,200
Intergovernmental	6,382,992	6,738,167	6,641,879	(96,288)
Investment income	2,000	351	175	(176)
Other	123,500	132,839	135,095	2,256
Total revenues	<u>6,543,492</u>	<u>6,908,224</u>	<u>6,817,216</u>	<u>(91,008)</u>
Expenditures:				
Current:				
Public works	7,194,337	8,344,542	7,273,328	1,071,214
Debt service:				
Principal retirement	74,395	74,395	74,395	-
Interest and fiscal charges	11,375	11,375	11,375	-
Total expenditures	<u>7,280,107</u>	<u>8,430,312</u>	<u>7,359,098</u>	<u>1,071,214</u>
Excess of expenditures over revenues	<u>(736,615)</u>	<u>(1,522,088)</u>	<u>(541,882)</u>	<u>980,206</u>
Other financing sources:				
Other financing sources	10,000	25,633	25,633	-
Total other financing sources	<u>10,000</u>	<u>25,633</u>	<u>25,633</u>	<u>-</u>
Net change in fund balances	(726,615)	(1,496,455)	(516,249)	980,206
Fund balances at beginning of year	3,105,718	3,105,718	3,105,718	-
Prior year encumbrances appropriated	460,703	460,703	460,703	-
Fund balance at end of year	<u>\$ 2,839,806</u>	<u>\$ 2,069,966</u>	<u>\$ 3,050,172</u>	<u>\$ 980,206</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY BOARD OF DD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 3,595,660	\$ 3,564,863	\$ 3,569,139	\$ 4,276
Payment in lieu of taxes	-	1,033	1,033	-
Charges for services	199,380	169,280	161,842	(7,438)
Intergovernmental	1,221,009	1,432,676	1,447,024	14,348
Contributions and donations	2,000	40,645	40,645	-
Other	25,000	26,476	27,453	977
Total revenues	<u>5,043,049</u>	<u>5,234,973</u>	<u>5,247,136</u>	<u>12,163</u>
Expenditures:				
Current:				
Health	5,701,172	5,664,917	5,219,096	445,821
Total expenditures	<u>5,701,172</u>	<u>5,664,917</u>	<u>5,219,096</u>	<u>445,821</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(658,123)</u>	<u>(429,944)</u>	<u>28,040</u>	<u>457,984</u>
Other financing sources (uses):				
Transfers in	-	630,000	630,000	-
Transfers (out)	(130,000)	(130,000)	(130,000)	-
Other financing sources	67,000	67,000	67,115	115
Total other financing sources (uses)	<u>(63,000)</u>	<u>567,000</u>	<u>567,115</u>	<u>115</u>
Net change in fund balances	(721,123)	137,056	595,155	458,099
Fund balances at beginning of year	3,113,849	3,113,849	3,113,849	-
Prior year encumbrances appropriated	75,822	75,822	75,822	-
Fund balance at end of year	<u>\$ 2,468,548</u>	<u>\$ 3,326,727</u>	<u>\$ 3,784,826</u>	<u>\$ 458,099</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMERGENCY AMBULANCE LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 2,520,000	\$ 2,511,993	\$ 2,511,992	\$ (1)
Payment in lieu of taxes	-	750	747	(3)
Charges for services	520,000	677,000	1,148,251	471,251
Intergovernmental	662,000	725,402	267,349	(458,053)
Contributions and donations	-	79,700	79,086	(614)
Other	55,000	157,400	166,453	9,053
Total revenues	<u>3,757,000</u>	<u>4,152,245</u>	<u>4,173,878</u>	<u>21,633</u>
Expenditures:				
Current:				
Health	4,462,389	4,856,258	4,489,434	366,824
Debt service:				
Principal retirement	81,634	81,634	81,634	-
Interest and fiscal charges	3,568	3,568	3,568	-
Total expenditures	<u>4,547,591</u>	<u>4,941,460</u>	<u>4,574,636</u>	<u>366,824</u>
Excess of expenditures over revenues	<u>(790,591)</u>	<u>(789,215)</u>	<u>(400,758)</u>	<u>388,457</u>
Other financing sources				
Sale of capital assets	-	-	2,799	2,799
Total other financing sources	<u>-</u>	<u>-</u>	<u>2,799</u>	<u>2,799</u>
Net change in fund balances	(790,591)	(789,215)	(397,959)	391,256
Fund balances at beginning of year	1,302,597	1,302,597	1,302,597	-
Prior year encumbrances appropriated	129,198	129,198	129,198	-
Fund balance at end of year	<u>\$ 641,204</u>	<u>\$ 642,580</u>	<u>\$ 1,033,836</u>	<u>\$ 391,256</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 AMERICAN RESCUE PLAN ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 3,554,561	\$ 3,238,061	\$ 3,238,061	\$ -
Total revenues	<u>3,554,561</u>	<u>3,238,061</u>	<u>3,238,061</u>	<u>-</u>
Expenditures:				
Current:				
Other	3,517,243	6,778,000	5,908,292	869,708
Total expenditures	<u>3,517,243</u>	<u>6,778,000</u>	<u>5,908,292</u>	<u>869,708</u>
Net change in fund balances	37,318	(3,539,939)	(2,670,231)	869,708
Fund balances at beginning of year	1,024,560	1,024,560	1,024,560	-
Prior year encumbrances appropriated . . .	<u>2,517,243</u>	<u>2,517,243</u>	<u>2,517,243</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,579,121</u>	<u>\$ 1,864</u>	<u>\$ 871,572</u>	<u>\$ 869,708</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2022

	Governmental Activities - Internal Service Funds
Assets:	
Current assets:	
Equity in pooled cash and investments	\$ 201,694
Cash with fiscal agent	659,295
Receivables:	
Accounts	85,012
Noncurrent assets:	
Net pension asset	1,303
Net OPEB asset	9,569
Total assets	956,873
Deferred outflows of resources:	
Pension	14,551
OPEB	475
Total deferred outflows of resources	15,026
Liabilities:	
Current liabilities:	
Accounts payable	5,175
Accrued wages and benefits payable	2,150
Due to other governments	1,176
Claims payable	829,322
Long-term liabilities:	
Net pension liability	27,118
Total liabilities	864,941
Deferred inflows of resources:	
Pension	33,272
OPEB	9,886
Total deferred inflows of resources	43,158
Net position:	
Unrestricted	63,800
Total net position	\$ 63,800

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	\$ 5,377,471
Other	885,534
Total operating revenues	<u>6,263,005</u>
Operating expenses:	
Personal services	59,692
Contract services	1,188,771
Claims	5,359,328
Other	4,446
Total operating expenses	<u>6,612,237</u>
Operating loss	<u>(349,232)</u>
Nonoperating revenues:	
Interest	5,602
Total nonoperating revenues	<u>5,602</u>
Loss before transfers	(343,630)
Transfer in	<u>300,000</u>
Change in net position	(43,630)
Net position at beginning of year	<u>107,430</u>
Net position at end of year	<u>\$ 63,800</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Cash received from interfund services	\$ 5,377,471
Cash received from other receipts	800,522
Cash payments for personal services	(75,242)
Cash payments for contractual services	(1,185,778)
Cash payments for claims	(4,879,553)
Cash payments for other expenses	(4,446)
	32,974
Net cash provided by operating activities	32,974
Cash flows from noncapital financing activities:	
Cash received from transfer in	300,000
Cash repayment of advances	(300,000)
	-
Net cash provided by noncapital financing activities	-
Cash flows from investing activities:	
Interest received	5,602
	5,602
Net cash provided by investing activities	5,602
Net increase in cash and cash equivalents	38,576
Cash and cash equivalents at beginning of year	822,413
Cash and cash equivalents at end of year	\$ 860,989
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (349,232)
Changes in assets, deferred outflows, liabilities and deferred inflow:	
Increase in accounts receivable	(85,012)
Increase in net OPEB asset	(4,453)
Increase in net pension asset	(474)
Increase in deferred outflows - pension	(6,221)
Decrease in deferred outflows - OPEB	2,767
Increase in accounts payable	2,993
Increase in accrued wages and benefits	352
Increase in due to other governments	145
Increase in claims payable	479,775
Decrease in net pension liability	(16,216)
Increase in deferred inflows - pension	14,296
Decrease in deferred inflows - OPEB	(5,746)
	(5,746)
Net cash provided by operating activities	\$ 32,974

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Custodial
Assets:	
Equity in pooled cash and cash equivalents	\$ 2,530,709
Cash in segregated accounts	296,190
Receivables (net of allowances for uncollectibles):	
Taxes - current	30,896,397
Due from other governments	2,591,179
Total assets	36,314,475
Liabilities:	
Accounts payable	32,364
Accrued wages and benefits	40,157
Compensated absences payable	52,729
Due to other governments	3,687,968
Total liabilities	3,813,218
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	29,981,661
Total deferred inflows of resources	29,981,661
Net position:	
Restricted for individuals, organizations and other governments	2,519,596
Total net position	\$ 2,519,596

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Custodial</u>
Additions:	
From local sources:	
Intergovernmental	\$ 5,888,263
Amounts received as fiscal agent	2,617,410
Licenses, permits and fees for other governments	4,046,915
Fines and forfeitures for others	459,191
Property tax collection for other governments	27,358,660
Special assessments collections for other governments	201,789
Payment in lieu of taxes collected for other governments	9,433
Other custodial fund collections	<u>99,624</u>
 Total additions	 <u>40,681,285</u>
Deductions:	
Distributions of state funds to other governments	5,881,351
Distributions as fiscal agent	2,680,359
Licenses, permits and fees distributions to other governments	4,042,820
Fines and forfeitures distributions to others	325,756
Property tax distributions to other governments	27,242,211
Special assessment distributions to other governments	201,789
Payment in lieu of taxes due to other governments	9,433
Other custodial fund disbursements	<u>96,628</u>
 Total deductions	 <u>40,480,347</u>
 Net change in fiduciary net position	 200,938
 Net position beginning of year	 <u>2,318,658</u>
 Net position end of year	 <u><u>\$ 2,519,596</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 - DESCRIPTION OF THE COUNTY

Coshocton County, Ohio (the “County”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The County was formed by the Ohio State Legislature in 1811. The County is governed by a three-member Board of Commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body and the chief administrators of public services for the County.

The County Auditor serves as fiscal officer for the County and the tax assessor for all political subdivisions within the County. The County Treasurer is required by Ohio law to collect locally assessed taxes. As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County Treasury. Other elected officials include the Prosecutor, Engineer, Recorder, Sheriff, Coroner, Clerk of Courts and Common Pleas Judges.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The most significant of the County’s accounting policies are described below.

A. Reporting Entity

The County’s reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61 “The Financial Reporting Entity Omnibus on Amendment of GASB Statements No. 14 and 34.” The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statement of the County are not misleading.

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For the County, this includes other departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization’s governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization’s resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading.

Based on the foregoing criteria, the financial activities of the following Primary Component Units (PCU) have been reflected in the accompanying basic financial statements as:

DISCRETELY PRESENTED COMPONENT UNITS

The component unit columns in the combined financial statements identifies the financial data of the County’s component units: the Coshocton County Regional Airport Authority and the Coshocton County Land Reutilization Corporation. They are reported separately to emphasize that they are legally separate from the County.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Coshocton County Regional Airport Authority (the "Authority") - is a legally separate regional airport authority established pursuant to Section 308.03 of the Ohio Revised Code, for the purpose of acquiring, constructing, operating, and maintaining an airport and airport facility in, and for, Coshocton County. Coshocton County Commissioners appoint a voting majority of the Board and the County has a financial benefit/burden relationship with the Authority.

Information related to Coshocton County Regional Airport Authority is presented in Note 23.

Coshocton County Land Reutilization Corporation (the "Corporation") - is a county land reutilization corporation that was formed on August 17, 2020 when the Coshocton County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing vacant, abandoned, tax-foreclosed or other real property throughout Coshocton County. The Corporation can potentially address parcels where the fair value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Corporation is considered to be a component unit of Coshocton County and is discretely presented. The nature and significance of the relationship between the County and the Corporation is such that exclusion would cause the County's financial statements to be misleading. The Corporation operates on a fiscal year ending on December 31.

Information related to Coshocton County Land Reutilization Corporation is presented in Note 24.

Coshocton County Transportation Improvement District (CCTID) - The CCTID is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The CCTID was specifically created pursuant to Chapter 5540 of the Ohio Revised Code, as amended. The CCTID was created by action of the Board of Coshocton County Commissioners on April 22, 2019. The CCTID is governed by a Board of Trustees that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members whom serve a term of two years. Five Board members are appointed by the Board of Coshocton County Commissioners. Two nonvoting Board members are appointed by the Speaker of the House of Representatives and the President of the Senate of the Ohio General Assembly. In addition, the County is able to impose its will on the CCTID. CCTID's year end is December 31. At December 31, 2022, The CCTID was filed using an alternative filing basis and there was no financial activity in 2022.

EXCLUDED POTENTIAL COMPONENT UNITS

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

In the case of the separate agencies, boards, and commissions listed below the County serves as fiscal agent and custodian, but is not accountable; therefore, the operations of the following PCUs have been excluded from the County's basic financial statements, but the funds held on behalf of these PCUs in the County Treasury are included in the custodial funds.

Information in the notes to the basic financial statements is applicable to the primary government. When information is provided relative to the component unit, it is specifically identified.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

JOINTLY GOVERNED ORGANIZATIONS

Solid Waste District (the "District") - The County is a member of the Coshocton, Fairfield, Licking, and Perry Solid Waste District, which is a jointly governed organization. The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by the Ohio Revised Code.

The District is governed and operated through three groups. A twelve-member Board of Directors, consisting of three commissioners from each County, is responsible for the District's financial matters. Financial records are maintained by the Licking County Auditor. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. During 2022, the County returned unspent funds of \$39,225 to the District.

A twenty-nine-member policy committee, consisting of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

Muskingum Mental Health and Recovery Board - (the "MH&R") - The MH&R Board is a jointly governed organization. Participants are Muskingum, Coshocton, Guernsey, Perry, Morgan, and Noble counties. The board has responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The MH&R is managed by a fourteen-member Board of Trustees; eight appointed by the member Counties, commissioners of the participating counties, six by the Director of the Ohio Department of Mental Health and Addiction Services. The MH&R Board exercises total control, including budgeting, appropriating, contracting, and designating management.

During 2022, Coshocton County contributed \$329,055 from levy proceeds. Additional revenues are provided by levies from other member counties, and State and federal grants awarded to the multi-county board. Continued existence of the MH&R is not dependent on the County's participation and no equity interest exists.

Area Agency on Aging Region 9, Incorporated (the "Agency") - The Area Agency on Aging Region 9, Incorporated is a not-for-profit corporation (organized under Section 501 (C) (3) of the Internal Revenue Code) that assists nine counties, including Coshocton County, in providing services to senior citizens in the Agency's service area. Additionally, the Agency serves individuals of all ages through the caregiver program, chronic disease self-management programs and our administration of the Ohio Home Care Waiver. The Agency is governed by a Board of Directors consisting of representatives from each participating County. The board has total control over budgeting, personnel, and all other financial matters. The continued existence of the Agency is not dependent on the County's continued participation and no equity interest exists. The Agency has no outstanding debt.

Mid East Ohio Regional Council of Governments (MEORC) - MEORC is a jointly governed organization which serves nineteen counties in Ohio. MEORC provides services to the developmentally disabled residents in the participating counties. MEORC is made up of the superintendents of each county's Board of Developmental Disabilities. Revenues are generated by fees and State grants. Continued existence of MEORC is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the MEORC. MEORC has no outstanding debt. During 2022, Coshocton County paid \$88,547 to MEORC for residential services.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Ohio Mid-Eastern Governments Association (OMEGA) - OMEGA is organized as an agency of the local governments by agreement among the membership. OMEGA provides opportunities in economic and community development through networking, education, planning, research and allocation of resources. OMEGA consists of Belmont, Carroll, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Tuscarawas and Columbiana Counties and other political subdivisions in the counties.

OMEGA's governing board consists of a twenty-one-member Executive Board comprised of members appointed from each participating county and the cities within each county to supervise the administrative functions of OMEGA. The executive board elects officers and appoints an executive director and its own fiscal officer. The board exercises total control, including budgeting, appropriating, contracting, and designating management.

The continued existence of OMEGA is not dependent on the County's continued participation and no equity interest exists. OMEGA has no outstanding debt. During 2022, the County contributed \$3,894 to OMEGA.

Coshocton County Family and Children First Council (Council) - The mission of the Council is to promote and facilitate collaboration among community agencies serving children and their families and to unite the community in promoting the well-being of children and their families through leadership advocacy, and coordination of services. The Board of Trustees is made up of individuals from various organizations including the County. During 2022, the County paid \$146,434 to the Council for services.

Coshocton Port Authority (Port Authority) - The purpose of the Port Authority is to be involved in the activities that enhance, foster, aid, provide or promote transportation, economic development, education, governmental operations, culture, or research within the County. The Port Authority is governed by a five-member Board of Directors. Two members of the Board are appointed by the Mayor of the City and approved by Council of the City of Coshocton. Two members are appointed by the County Commissioners and the fifth appointment shall be approved by the four current members. The County paid \$60,000 to the Port Authority during 2022.

PUBLIC ENTITY RISK POOL

The Jefferson Health Plan - The County Board of Developmental Disabilities (DD) participates in the Jefferson Health Plan (the Plan) self-insurance plan, a risk-sharing, claims servicing, and insurance purchasing pool comprised of one hundred twenty one members, including two insurance consortiums. Each participant appoints a member of the insurance plan's assembly. The Plan's business and affairs are conducted by a nine member Board of Directors elected from the assembly. The Plan offers medical, dental and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance and vision insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit, which can range from \$50,000 to \$150,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$500,000, and all claims between the deductible and the \$500,000 are paid from the internal shared risk pool. The internal pool is not owned by the plan participants. All participants pay a premium rate that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding \$500,000, stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third party administrative services. The plan also purchases fully insured life insurance for plan participants provided by Met Life, and allows for the purchase of vision insurance through Vision Service Plan.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

County Risk Sharing Authority, Inc. (CORSA) - CORSA is jointly governed by sixty-six 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 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 has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2022 was \$230,167.

RELATED ORGANIZATIONS

Coshocton Metropolitan Housing Authority (the "Authority") - The Authority is a nonprofit organization established to provide adequate public housing for low income individuals and was created pursuant to State statutes. The Authority is operated by a five-member Board. Two members are appointed by the mayor of the largest City in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County Commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The Board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority. The County did not pay anything to the Authority during 2022.

Coshocton City and County Park District (the "District") - The District is a legally separate organization created pursuant to Ohio Revised Code Section 1545.01. The County cannot impose its will on the District and a financial benefit/burden relationship does not exist. State statute provides that the County Auditor and Treasurer are ex-officio members of the Park District Board of Commissioners and designates the County Auditor as fiscal officer of the commission. Neither do the County Commissioners have the ability to significantly influence operations, designate management, approve budgets, nor does the County have responsibility for funding deficits. The County maintains custodial funds for the District's operation since the County Auditor serves as fiscal agent for the District. The County paid \$0 to the District during 2022.

JOINT VENTURE WITHOUT EQUITY INTEREST

Coshocton County Regional Planning Commission (the "Commission") - The Commission was created under ORC 713.21. They make studies, maps, and other reports of the region showing their recommendations for systems of transportation, highways, parks, and recreational facilities, water supplies, sewage disposal, garbage disposal, civic centers, and other public improvements which affect the development of the region as a whole, or more than one political subdivision within the region. At year end the County had no equity interest in the Commission.

B. Basis of Presentation

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the County as a whole. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements include the financial activities of the primary government except for fiduciary funds.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

C. Fund Accounting

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

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

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Human services fund - This fund accounts for various federal and state grants as well as transfers from the general fund used to provide public assistance to general relief recipients, medical assistance and certain public social services.

Motor vehicle license and gasoline tax fund - This fund accounts for State gasoline tax and motor vehicle registration fees for maintenance and improvement of County roads.

County board of developmental disabilities (the "county board of DD") fund - This fund accounts for a county-wide property tax levy, federal and state grants and reimbursements used for care and services for the developmentally disabled.

Emergency ambulance levy fund - This fund accounts for a county-wide property tax levy used to operate the County emergency ambulance service.

American Rescue Plan Act fund - The local fiscal recovery fund accounts for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital Projects fund - This fund accounts for financial resources to be used to the acquisition or construction of major capital facilities.

Other governmental funds of the County are used to account for (a) financial resources that are restricted or committed to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted or committed to expenditure for principal and interest.

Proprietary Funds - Proprietary funds focus on the determination of changes in net position, financial position, and cash flows, and are classified as either enterprise or internal service. The County's only proprietary funds are internal service funds.

Internal service fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County has two internal service funds, both account for self-insurance programs.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. Custodial funds are custodial in nature and are prepared using the economic resources measurement focus. The County's only fiduciary funds are custodial funds which account for property taxes, special assessments, "pass through" monies to be disbursed to local governments other than the County, and separate agencies, boards, and commissions for which the County serves as fiscal agent and custodian.

D. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of the County are included on the statement of net position.

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

Like the government-wide statements, the proprietary fund is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its internal service fund activities.

Custodial funds use the economic resources measurement focus.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the full accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty days of year end.

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales tax (See Note 7), interest, federal and State grants and subsidies, State-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 16 and 17 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

See Notes 16 and 17 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expense/Expenditures - On the full accrual basis of accounting, expenses are recognized at the time they are incurred.

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

F. Budgetary Data

All funds, other than custodial funds, are required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the County Commissioners may appropriate. The appropriation resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Commissioners. The legal level of control has been established by the County Commissioners at the object level within each department.

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

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

G. Cash and Investments

To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During 2022, the County invested in federal agency securities, municipal bonds, U.S. Treasury notes, U.S. Government money markets, commercial paper, negotiable certificates of deposit, foreign issues, and the State Treasury Asset Reserve of Ohio (STAR Ohio). The federal agency securities, negotiable certificates of deposits, municipal bonds, U.S. Treasury Notes, U.S. Government money markets and commercial paper are reported at fair value which is based on quoted market prices.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 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, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2022 amounted to \$384,512 which includes \$335,872 assigned from other County funds.

The County has segregated bank accounts for monies held separate from the County's central bank account. These interest bearing depository accounts are presented on the financial statements sheet as "cash in segregated accounts" since they are not required to be deposited into the County treasury.

The County has monies being held by the Mid East Ohio Regional Council of Governments (MEORC) and the Jefferson Health Plan. These funds held at year end are reflected on the financial statements as "cash with fiscal agent".

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Treasurer's investment account at year end is provided in Note 4.

H. Inventories of Materials and Supplies

On government-wide and fund financial statements, purchased inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Capital Assets

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The County maintains a threshold of \$5,000 for general capital assets and a threshold of \$100,000 for infrastructure capital assets.

The County’s governmental infrastructure assets consist of roads, bridges, culverts and waterworks. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 80 years
Machinery and Equipment	8 - 15 years
Intangible leased assets	5 - 20 years
Vehicles	10 - 20 years
Infrastructure	10 - 50 years
Software	5 - 7 years

The County is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee’s rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the County’s past experience of making termination payments.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from the internal service fund are reported in the proprietary fund financial statements.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans, notes, capital leases and lease purchase agreements are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

M. Interfund Transactions

During the normal course of operations, the County has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the County are treated similarly when involving other funds of the County.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/interfund payable" for the current portion of interfund loans or loans to/from other funds for the non-current portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds". These amounts are eliminated on the statement of net position.

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 classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable in the general fund.

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

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

Assigned - Amounts in the assigned 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 nor 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 policies of the Board of Commissioners.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for services for the employee self-insurance program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are classified as nonoperating.

P. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes consist primarily of monies restricted for maintenance and repairs of facilities and to distribute lodging taxes.

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

Q. Estimates

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

R. Interfund Activity

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

S. Pensions/Other Postemployment Benefits (OPEB)

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

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or event that are within the control of the County and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2022.

U. Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2022, the County has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

These changes were incorporated in the County's 2022 financial statements. The County recognized \$9,283 in governmental activities in leases receivable at January 1, 2022, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases. The County also recognized \$72,845 in governmental activities in leases payable at January 1, 2022; however, this entire amount was offset by the intangible assets, right to use lease – equipment and right to use lease - land.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the County.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the County.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the County.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the County.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the County.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the County.

B. Deficit Fund Balances

Fund balances at December 31, 2022 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor funds</u>	
Children services levy	\$ 287,036
Victims assistance grant	96
County Debt - HS Bond	3,429
EMS capital improvement	1,209,602

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS

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

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested 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 and 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
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 items (1) and (2) above 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, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. Commercial paper notes must be in entities incorporated under the laws of Ohio, or any other state, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation. Commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase;
9. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state, provided that the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution, unless collateralized through the OPCS. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of, or guaranteed by, the United States and mature, or be redeemable, within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the County's name. During 2022, the County and public depositories complied with the provisions of these statutes.

A. Cash with Fiscal Agent

At December 31, 2022, the County had \$2,066,505 in monies held by MEORC as fiscal agent. These funds are held outside of the County Treasury and are not included in "deposits with financial institutions" below.

At December 31, 2022, the County's internal service fund had a balance of \$659,295 with the Jefferson Health Plan, a claims servicing pool. The money is held by the claims servicing pool in a pooled account.

B. Cash in Segregated Accounts

At December 31, 2022, the County had \$47,322 in cash in segregated accounts related to monies held by custodial funds but not yet recorded in the County's governmental funds at year end. These funds are held outside of the County Treasury and are not included in "deposits with financial institutions" below.

At year end, the County had \$296,190 in cash and cash equivalents deposited separate from the County's internal investment pool. This amount is not included in the amount of "deposits with financial institutions" below.

C. Cash on Hand

At December 31, 2022, the County had \$1,145 in cash on hand which is reported on the financial statements as part of "equity in pooled cash and cash equivalents".

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Deposits with Financial Institutions

At December 31, 2022, the carrying amount of all County deposits was \$1,947,395 and the bank balance of all County deposits was \$3,148,746. Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by the financial institutions' participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

E. Investments

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

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair Value:</i>						
Negotiable CDs	\$ 4,634,734	\$ 1,435,740	\$ 726,910	\$ 1,192,728	\$ 592,489	\$ 686,867
U.S. Govt Money Market	24,308	24,308	-	-	-	-
Commercial Paper	2,600,919	2,600,919	-	-	-	-
Municipal Bonds	1,582,984	899,874	-	-	462,125	220,985
FFCB	1,870,279	254,852	-	-	239,123	1,376,304
FHLB	2,357,319	-	502,959	499,736	-	1,354,624
FNMA	1,846,777	-	-	-	1,077,481	769,296
FAMC	375,386	-	-	236,560	-	138,826
U.S. Treasury Note	12,042,153	9,070,007	1,080,496	772,093	-	1,119,557
Foreign Issues	346,011	-	97,840	-	-	248,171
<i>Amortized Cost:</i>						
STAR Ohio	<u>10,739,566</u>	<u>10,739,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 38,420,436</u>	<u>\$ 25,025,266</u>	<u>\$ 2,408,205</u>	<u>\$ 2,701,117</u>	<u>\$ 2,371,218</u>	<u>\$ 5,914,630</u>

The weighted average maturity of investments is 0.89 years.

The County's investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The County's investments in federal agency securities (FFCB, FHLB, FNMA, FAMC), U.S. Treasury notes, foreign government bonds, commercial paper, negotiable CDs, and municipal bonds are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The U.S. Government money market carry a rating of AAAM by Standard & Poor's and Aaa-mf by Moody. The federal agency securities carry a rating of AA+ and Aaa by Standard & Poor's and Moody, respectively. The commercial paper carry a rating of A-1 and P-1 by Standard & Poor's and Moody, respectively. The foreign issues carry a rating of AA- and A1 by Standard and Poor's and Moody, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The County's investment policy does not specifically address credit risk beyond requiring the County to only invest in securities authorized by State statute.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the County's name. The County has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the County Treasurer or qualified trustee.

Concentration of Credit Risk: The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2022:

<u>Measurement/ Investment type</u>	<u>Measurement</u>	
	<u>Amount</u>	<u>% of Total</u>
Fair Value:		
Negotiable CDs	\$ 4,634,734	12.06
U.S. Govt Money Market	24,308	0.06
Commercial Paper	2,600,919	6.77
Municipal Bonds	1,582,984	4.12
FFCB	1,870,279	4.87
FHLB	2,357,319	6.14
FNMA	1,846,777	4.81
FAMC	375,386	0.98
U.S. Treasury Note	12,042,153	31.34
Foreign Issues	346,011	0.90
Amortized Cost:		
STAR Ohio	<u>10,739,566</u>	<u>27.95</u>
Total	<u>\$ 38,420,436</u>	<u>100.00</u>

F. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2022:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 1,947,395
Investments	38,420,436
Cash on hand	1,145
Cash in segregated accounts	343,512
Cash with fiscal agent	<u>2,725,800</u>
Total	<u>\$ 43,438,288</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 40,611,389
Custodial funds	<u>2,826,899</u>
Total	<u>\$ 43,438,288</u>

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2022, consisted of the following, as reported on the fund financial statements:

<u>Transfer from general fund to:</u>	
Human Services fund	\$ 107,647
County Board of DD	630,000
Nonmajor governmental	526,500
Internal service fund	<u>300,000</u>
	<u>1,564,147</u>
 <u>Transfer from County Board of DD to:</u>	
Nonmajor governmental	<u>130,000</u>
 Total transfers	 <u>\$ 1,694,147</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers made in 2022 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Transfers between governmental funds are eliminated for reporting on the statement of activities.

B. Due To/From Other Funds

The County had the following amounts due to/from other funds at December 31, 2022:

Fund	Due from other funds	Due to other funds
General fund	\$ 32,497	\$ 514
Human services fund	240,025	42,074
Emergency ambulance levy fund	-	37
Nonmajor governmental	<u>33,997</u>	<u>263,894</u>
Total	<u>\$ 306,519</u>	<u>\$ 306,519</u>

Amounts due to/from other funds represent amounts owed between funds for goods or services provided. The balances resulted from the time lag between the dates that payments between the funds are made. Due to/from other fund balances between governmental funds are eliminated for reporting on the government-wide statement of net position.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

C. Interfund Balances

Interfund balances, related to items other than charges for goods and services rendered, at December 31, 2022, consist of the following individual fund loan receivable and payable as reported on the fund statements:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
General fund	\$ 7,000	\$ -
Nonmajor governmental funds	<u>-</u>	<u>7,000</u>
Total	<u>\$ 7,000</u>	<u>\$ 7,000</u>

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing district their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2022 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2022 operations and the collection of delinquent taxes has been offset by a deferred inflow since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow.

The full tax rate for all County operations for the year ended December 31, 2022 was \$14.65 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

Real property	\$ 747,368,890
Public utility personal property	<u>100,830,090</u>
Total assessed value	<u>\$ 848,198,980</u>

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 7 - PERMISSIVE SALES AND USE TAX

In 1971, the County Commissioners, by resolution, imposed a one-half percent tax on all retail sales made in the County. In 1984, the County Commissioners, by resolution, imposed an additional one-half percent tax on all retail sales made in the County. At the end of 2005, the County Commissioners by resolution imposed a one-half percent tax on all retail sales made in the County for specific use in the Justice System to begin January 1, 2006. On November 2, 2021, the County voters approved a one-half percent sales tax levy. The proceeds are to be used to make debt service payments for the new Criminal Justice Center. Collection of the tax began in April 2022. The State Tax Commissioner certifies to the Ohio Office of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of the month. The Ohio Office of Budget and Management then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited to the general fund and the criminal justice center debt fund (a nonmajor governmental fund). Sales tax revenue in 2022 amounted to \$8,966,021.

NOTE 8 – NOTE PAYABLE – FINANCED PURCHASE

During prior years, the County entered into note payable - financed purchase agreements with financial institutions to assist in financing radio equipment, an excavator, a mower, ambulances and dump trucks.

General capital assets acquired by agreement have been capitalized in an amount equal to the present value of the future minimum lease payments as of the date of their inception. For the County, a corresponding liability was recorded in the government-wide financial statements. Principal payments in 2022 totaled \$289,130. Principal and interest payments are made from the general fund, the 911 levy fund (a nonmajor governmental fund), the emergency ambulance levy fund and the motor vehicle and gas tax fund.

Capital assets consisting of machinery and equipment have been capitalized in the amount of \$1,154,126 in governmental activities. This amount represents the present value of the minimum payments at the time of acquisition. The assets associated with the radio equipment purchase have not been capitalized, because individually, the pieces of radio equipment are below the County's capitalization threshold.

The following is a schedule of the future minimum payments required under the note payable and the present value of the minimum lease payments as of December 31, 2022:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 214,290	\$ 15,916	\$ 230,206
2024	97,093	8,890	105,983
2025	63,055	5,143	68,198
2026	22,405	2,663	25,068
2027	23,260	1,808	25,068
2028	<u>24,147</u>	<u>921</u>	<u>25,068</u>
Total	<u>\$ 444,250</u>	<u>\$ 35,341</u>	<u>\$ 479,591</u>

NOTE 9 - COMPENSATED ABSENCES

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County. No vacation time shall be carried over for more than three years. Accumulated, unused sick leave is paid at varying rates depending on length of service to employees who retire.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 10 - CONTINGENT LIABILITIES

The County has received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial. At year end, the County was involved in a pending lawsuit as a defendant. However, at December 31, the outcome of the lawsuit is undetermined.

NOTE 11 – RECEIVABLES

Receivables at December 31, 2022, consisted of taxes, accounts, accrued interest, leases and intergovernmental receivables arising from grants, entitlements and shared revenue. Receivables have been recorded to the extent that they are measurable at December 31, 2022. A summary of the principal items due from other governments:

Fund / Type	Amount
Major funds:	
General fund:	
Local government revenue	\$ 270,265
Casino tax	265,687
Homestead and rollback	115,537
Miscellaneous reimbursements	624,202
	1,275,691
Human services fund:	
Miscellaneous grants and reimbursements	155,303
	155,303
Motor vehicle license and gasoline tax fund:	
License, gasoline and permissive taxes	2,659,709
Miscellaneous grants and reimbursements	3,890
	2,663,599
County board of DD fund:	
Homestead and rollback	108,537
	108,537
Emergency ambulance levy fund:	
Homestead and rollback	109,238
	109,238
Other governmental funds:	
Homestead and rollback	51,952
Miscellaneous grants and reimbursements	1,024,175
	1,076,127
Total due from other governments	\$ 5,388,495

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - CAPITAL ASSETS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the County has reported capital assets for the right to use leased equipment which are reflected in the schedule below. Governmental activities capital asset activity for the year ended December 31, 2022, was as follows:

	Restated Balance <u>12/31/21</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/22</u>
<u>Governmental activities:</u>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 1,757,122	\$ 300,362	\$ (136,600)	\$ 1,920,884
Construction in progress	<u>-</u>	<u>5,624,788</u>	<u>-</u>	<u>5,624,788</u>
Total capital assets, not being depreciated/amortized	<u>1,757,122</u>	<u>5,925,150</u>	<u>(136,600)</u>	<u>7,545,672</u>
<i>Capital assets, being depreciated/amortized:</i>				
Building and improvements	16,451,681	311,770	(114,405)	16,649,046
Machinery and equipment	5,929,554	392,290	(50,950)	6,270,894
Right to use - equipment	128,832	5,729	-	134,561
Right to use - land	10,735	-	-	10,735
Vehicles	5,707,418	801,509	(90,175)	6,418,752
Infrastructure	30,312,203	829,964	-	31,142,167
Software	<u>772,849</u>	<u>14,419</u>	<u>-</u>	<u>787,268</u>
Total capital assets, being depreciated/amortized	<u>59,313,272</u>	<u>2,355,681</u>	<u>(255,530)</u>	<u>61,413,423</u>
<i>Less: accumulated depreciation/amortization:</i>				
Building and improvements	(10,085,027)	(426,104)	76,625	(10,434,506)
Machinery and equipment	(3,232,095)	(316,833)	39,291	(3,509,637)
Right to use - equipment	(15,669)	(28,701)	-	(44,370)
Right to use - land	-	(1,667)	-	(1,667)
Vehicles	(2,530,360)	(548,447)	90,174	(2,988,633)
Infrastructure	(20,793,582)	(633,584)	-	(21,427,166)
Software	<u>(334,900)</u>	<u>(57,469)</u>	<u>-</u>	<u>(392,369)</u>
Total accumulated depreciation/amortization	<u>(36,991,633)</u>	<u>(2,012,805)</u>	<u>206,090</u>	<u>(38,798,348)</u>
Total capital assets, being depreciated/amortized net	<u>22,321,639</u>	<u>342,876</u>	<u>(49,440)</u>	<u>22,615,075</u>
Governmental activities capital assets, net	<u>\$ 24,078,761</u>	<u>\$ 6,268,026</u>	<u>\$ (186,040)</u>	<u>\$ 30,160,747</u>

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - CAPITAL ASSETS - (Continued)

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government:

Legislative and executive	\$ 260,262
Judicial	90,224
Public safety	223,890
Public works	1,032,970
Health	299,444
Human services	<u>106,015</u>

Total depreciation/amortization expense - governmental activities \$ 2,012,805

NOTE 13 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the County has reported obligations for leases payable which are reflected in the schedule below. In 2022, the following changes occurred in the County's governmental activities long-term obligations.

Governmental Activities:	Issue	Maturity	Interest	Restated	Additions	Reductions	Balance	Amount Due
	Date	Date	Rate	Balance			12/31/22	in One Year
<u>Notes:</u>								
<i>Direct borrowings:</i>								
Promissory Note	2019	5/13/2029	3.27%	\$ 216,666	\$ -	\$ (16,667)	\$ 199,999	\$ 16,667
Home Loan Savings Building	2017	5/5/2027	2.50%	173,502	-	(28,917)	144,585	28,917
Bond Anticipation Notes	2021	12/29/2022	1.00%	10,000,000	-	(10,000,000)	-	-
Total notes				<u>10,390,168</u>	<u>-</u>	<u>(10,045,584)</u>	<u>344,584</u>	<u>45,584</u>
<u>Other long-term obligations:</u>								
Lease Payable				133,123	5,729	(32,669)	106,183	31,536
Note payable - financed purchase				733,380	-	(289,130)	444,250	214,290
Net Pension Liability				17,337,580	169,516	(6,556,305)	10,950,791	-
Compensated Absences				1,454,339	1,088,901	(1,085,918)	1,457,322	1,303,970
Total Other Long-Term Obligations				<u>19,658,422</u>	<u>1,264,146</u>	<u>(7,964,022)</u>	<u>12,958,546</u>	<u>1,549,796</u>
Total general long-term obligations				<u>\$ 30,048,590</u>	<u>\$ 1,264,146</u>	<u>\$ (18,009,606)</u>	<u>\$ 13,303,130</u>	<u>\$ 1,595,380</u>

On May 21, 2014, the County signed a \$407,600 promissory note for the purpose of building renovations. This note was paid from the general fund. This note is a direct borrowing that has terms negotiated between the County and the creditor.

On May 13, 2019, the County signed a \$250,000 promissory note for the purpose of refunding the commissioners building renovations note that was issued in 2014. This note will be paid from the general fund. This note is a direct borrowing that has terms negotiated between the County and the creditor.

On December 29, 2021, the County issued \$10,000,000 in various purpose bond anticipation notes. These notes are general obligation notes which are secured by the full faith and credit of the County. The notes were issued in anticipation of the issuance of bonds, for the purpose of paying the costs of constructing, improving, furnishing and equipping a new county Emergency Medical Services building and a new county jail. The principal on the note was repaid from notes received in December 2022. Refer to Note 14. Interest related to the new county jail was paid from debt service funds. Interest related to Emergency Medical Services was paid from the major Emergency Ambulance Levy fund. The note had an interest rate of 1.00% and matured on December 29, 2022.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 13 - LONG TERM OBLIGATIONS - (Continued)

On May 5, 2017, the County signed a \$289,170 promissory note for purchase of a building. This note will be paid from the general fund. The note has an interest rate of 2.50% and matures on May 5, 2027. This note is a direct borrowing that has terms negotiated between the County and the creditor.

Compensated absences will be paid from the fund from which the employees' salaries are paid, which, for the County, is primarily the general fund, the human services fund, the motor vehicle license and gasoline tax fund and the county board of DD fund.

The County has entered into a lease agreement for the use of right to use equipment and the right to use land. Due to the implementation of GASB Statement No. 87, the County will report an intangible capital asset and corresponding liability for the future scheduled payments under the lease. Principal and interest payments for the lease obligation are made from the general fund, the County agency coordinated transportation fund (a nonmajor governmental fund), and the sheriff's rotary fund (a nonmajor governmental fund).

The County has entered into a lease agreement with the following terms:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Land	2018 & 2020	5 - 20	2023 & 2040	Annually
Copiers	2018 - 2022	5	2023 - 2027	Monthly & Quarterly

Refer to Notes 8 for detail on the note payable- financed purchase agreement.

Refer to Notes 16 and 17 for detail on the net pension liability and net OPEB liability. The County pays obligations related to employee compensation from the fund benefitting from their service.

The annual requirements to retire governmental activities debt are as follows.

Year Ending December 31,	Note Payable			Lease Payable		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 45,584	\$ 10,296	\$ 55,880	\$ 31,536	\$ 3,667	\$ 35,203
2024	45,584	9,035	54,619	31,028	2,361	33,389
2025	45,584	7,725	53,309	27,177	1,086	28,263
2026	45,584	6,439	52,023	9,458	285	9,743
2027	45,584	5,154	50,738	748	154	902
2028 - 2032	116,664	7,194	123,858	2,395	605	3,000
2033 - 2037	-	-	-	2,681	319	3,000
2038 - 2040	-	-	-	1,160	40	1,200
Total	\$ 344,584	\$ 45,843	\$ 390,427	\$ 106,183	\$ 8,517	\$ 114,700

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 13 - LONG TERM OBLIGATIONS - (Continued)

Legal Debt Margin

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The assessed valuation used in determining the County's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, the County's voted legal debt margin was \$14,200,972 at December 31, 2022 and the unvoted legal debt margin was \$8,481,990 at December 31, 2022.

NOTE 14 – SHORT-TERM NOTES PAYABLE

On July 7, 2022, the County issued notes in the amount of \$4,165,000 for the purpose of constructing and installing roof improvements at various County buildings. These notes have a stated rate of 2.875% and mature July 7, 2023.

On December 28, 2022, the County issued notes in the amount of \$7,500,000 for the purpose of County Jail Construction and Improvement. These notes have a stated rate of 4.5% and mature December 28, 2023.

On December 28, 2022, the County issued notes in the amount of \$2,500,000 for the purpose of County Emergency Medical Services Building Improvements. These notes have a stated rate of 4.0% and mature December 28, 2023.

NOTE 15 - RISK MANAGEMENT

A. General Insurance

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters.

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-six counties and twenty-one affiliated county public entity members 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. The program is governed by a nine member Board of Trustees, all of whom must be commissioners from member counties. 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 liability, property and crime insurance.

By contracting with the CORSA for liability, property, and crime insurance, the County has addressed these various types of risk. CORSA, a nonprofit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime coverage for its members. CORSA was established May 12, 1987 and has grown to sixty-six members.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - RISK MANAGEMENT - (Continued)

The CORSA program has a \$2,500 deductible per claim. Coverage provided by CORSA is as follows:

Cyber liability and expense	\$4,000,000
Automobile liability	1,000,000
Uninsured/underinsured motorists liability	250,000
Excess liability	5,000,000
Stop gap liability	1,000,000
Medical professional liability	1,000,000
Foster parents	6,000,000
Accounts receivable	1,000,000
Property - total covered value	106,502,945
Other property insurance:	
Extra expense/business income	2,500,000
Electronic Data Processing (EDP):	
Media -per occurrence	250,000
Extra Expense - per occurrence	250,000
Sewer line coverage	2,539,620
Underground fiber optic lines	10,000
Law enforcement canines	32,000
Equipment breakdown	100,000,000
Crime insurance	1,000,000
Other coverage	
Attorney Disciplinary Proceedings	25,000
Dog Warden Blanket Bond	2,000

With the exception of workers' compensation and health insurance all coverage is held with CORSA. Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

B. Workers' Compensation

The County participated in the County Commissioners Association of Ohio Workers' Compensation Group Retro Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. Performance discounts are given to pool members based on experience. 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. Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - RISK MANAGEMENT - (Continued)

C. Health Care Self-Insurance

The County maintains a Self-Insurance Internal Service Fund to account for, and finance, its uninsured risks of loss in this program. Effective January 1, 2022 a Third Party Administrator, Mutual Health Services began reviewing all claims which are then paid by the County. For January 1, 2022, the plan provided 3 different options for coverage for eligible County employees. The first option being Plan A – Buyup a major medical with a \$1,000 individual and \$2,000 family deductible and a Preferred Provider Network (PPO) with a \$1,000 individual and a \$2,000 family deductible. The second option being Plan B - Core a major medical with a \$2,000 individual deductible and a \$4,000 family deductible and a Preferred Provider Network (PPO) with a \$1,000 individual and a \$2,000 family deductible. The third option being a Plan C - Health Savings Account (HSA) major medical with a \$5,000 individual deductible and a \$10,000 family deductible and a Preferred Provider Network (PPO) with a \$2,700 deductible and a \$5,400 family deductible. The County purchases stop-loss coverage of \$90,000 per employee per year and an aggregate annual limit of \$1,000,000. For the period January 1, 2022 through June 30,2022, the County provided three options for employees to choose from. Plan A- Buyup - \$2,287 family coverage, \$777 single, Employee + Spouse \$1,575 and Employee + child/children \$1,288. For Plan B – Core - \$2,290 family coverage, \$710 single coverage, \$1,435 Employee + spouse and \$1,175 employee + child/children. Plan C – HSA - \$2,062 family coverage, \$701 single, \$1,415 employee + spouse and \$1,159 employee + child/children coverage which represents the entire premium required.

For the period July 1, 2022 through December 31, 2022 the County insurance rates increased; Plan A- Buyup - \$2,604 family coverage, \$885 single, Employee + Spouse \$1,802 and Employee + child/children \$1,472. For Plan B – Core - \$2,378 family coverage, \$808 single coverage, \$1,640 Employee + spouse and \$1,341 employee + child/children. Plan C – HSA - \$2,346 family coverage, \$797 single, \$1,617 employee + spouse and \$1,322 employee + child/children coverage which represents the entire premium required

The claims liability of \$565,009 reported in the fund at December 31, 2022, was estimated by a third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported, claims, be reported. The estimate was not affected by incremental claim adjustment expense and does not include allocated or unallocated claims adjustment expenses.

Changes in the fund’s claims liability amount for 2022 and 2021 were:

	Balance at		Current		Claim		Balance at
	<u>Beginning of Year</u>		<u>Year Claims</u>		<u>Payments</u>		<u>End of Year</u>
2022	\$ 225,713	\$	\$ 4,291,830	\$	(3,952,534)	\$	565,009
2021	126,455		4,127,927		(4,028,669)		225,713

D. County Board of Developmental Disabilities Self-Insurance

The Board of DD is self-insured for its medical, prescription drug, vision and dental insurance programs. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. The Board of DD is a member of the Jefferson Health Plan, a claims servicing pool, consisting of ninety members, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the Board of DD’s behalf. This plan provides a dental plan with a \$87.92 family and single premium, a medical plan with a \$2,081.86 family and \$1,034.99 single premium, a prescription drug plan with a \$442.66 family and \$201.45 single premium and a vision plan with a \$27.01 family and \$12.11 single premium. The Board of DD pays the entire premium. The Board of DD is responsible for payment of all medical, prescription, vision and dental claim amounts in excess of the employee payment percentages established in the Plan document. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of \$500,000. Claims above a \$50,000 deductible are internally pooled. Claims above \$500,000 are covered by stop loss.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - RISK MANAGEMENT - (Continued)

The claims liability of \$264,313 reported in the fund at December 31, 2022, was estimated by a third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported, claims, be reported. The estimate was not affected by incremental claim adjustment expense and does not include allocated or unallocated claims adjustment expenses.

Changes in the fund’s claims liability amount for 2022 and 2021 were:

		<u>Balance at</u> <u>Beginning of Year</u>		<u>Current</u> <u>Year Claims</u>		<u>Claim</u> <u>Payments</u>		<u>Balance at</u> <u>End of Year</u>
2022	\$	123,834	\$	1,067,498	\$	(927,019)	\$	264,313
2021		261,615		1,558,411		(1,696,192)		123,834

NOTE 16 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability/Asset

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual basis of accounting.

The remainder of this note includes the pension disclosures. See Note 17 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires.

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

	<u>State and Local</u>	<u>Law Enforcement</u>
2022 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee *	10.0 %	***
2022 Actual Contribution Rates		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits **	<u>0.0 %</u>	<u>0.0 %</u>
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.

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

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

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

The County's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$2,645,550 for 2022. Of this amount, \$415,471 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2023 when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit at any age.

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

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

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

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

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The County's contractually required contribution to STRS was \$40,408 for 2022.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2021, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability or asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.11854800%	0.11203500%	0.06873200%	0.00285165%	
Proportion of the net pension liability/asset current measurement date	<u>0.12388200%</u>	<u>0.12851800%</u>	<u>0.06310400%</u>	<u>0.00240271%</u>	
Change in proportionate share	<u>0.00533400%</u>	<u>0.01648300%</u>	<u>-0.00562800%</u>	<u>-0.00044894%</u>	
Proportionate share of the net pension liability	\$ 10,416,666	\$ -	\$ -	\$ 534,125	\$ 10,950,791
Proportionate share of the net pension asset	-	(489,380)	(11,073)	-	(500,453)
Pension expense	(912,864)	(51,323)	37,844	25,824	(900,519)

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 531,026	\$ 3,036	\$ 10,945	\$ 6,841	\$ 551,848
Net difference between projected and actual earnings on pension plan investments	-	-	-	18,586	18,586
Changes of assumptions	1,302,593	24,595	369	63,919	1,391,476
Changes in employer's proportionate percentage/difference between employer contributions	803,501	-	-	11,026	814,527
Contributions subsequent to the measurement date	2,529,615	84,809	31,126	20,346	2,665,896
Total deferred outflows of resources	<u>\$ 5,166,735</u>	<u>\$ 112,440</u>	<u>\$ 42,440</u>	<u>\$ 120,718</u>	<u>\$ 5,442,333</u>
	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ 228,463	\$ 54,735	\$ -	\$ 2,043	\$ 285,241
Net difference between projected and actual earnings on pension plan investments	12,390,247	104,917	2,523	-	12,497,687
Changes of assumptions	-	-	-	48,112	48,112
Changes in employer's proportionate percentage/difference between employer contributions	-	-	-	70,479	70,479
Total deferred inflows of resources	<u>\$ 12,618,710</u>	<u>\$ 159,652</u>	<u>\$ 2,523</u>	<u>\$ 120,634</u>	<u>\$ 12,901,519</u>

\$2,665,896 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2023.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
2023	\$ (1,028,083)	\$ (32,160)	\$ 1,098	\$ (17,779)	\$ (1,076,924)
2024	(4,069,056)	(44,456)	817	(22,579)	(4,135,274)
2025	(2,913,448)	(29,161)	983	(34,075)	(2,975,701)
2026	(1,971,003)	(21,558)	1,025	54,171	(1,937,365)
2027	-	(2,855)	1,358	-	(1,497)
Thereafter	-	(1,831)	3,510	-	1,679
Total	\$ (9,981,590)	\$ (132,021)	\$ 8,791	\$ (20,262)	\$ (10,125,082)

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 was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2021, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	3.25%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets 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 gain of 15.3% for 2021.

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

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

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2021 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 27,463,999	\$ 10,416,666	\$ (3,768,982)
Combined Plan	(365,168)	(489,380)	(586,256)
Member-Directed Plan	(9,758)	(11,073)	(12,197)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation compared with June 30, 2021 are presented below:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Inflation	2.50%	2.50%
Projected salary increases	8.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022, actuarial valuation, post-retirement mortality rates for healthy retirees 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. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

For the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2022, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2015, through June 30, 2021. The actuarial assumptions used in the June 30, 2021, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

STRS Ohio's 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 Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

* Target allocation percentage is effective 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 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 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates 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 Ohio'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 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

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

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability	\$ 806,869	\$ 534,125	\$ 303,469

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 16 for a description of the net OPEB liability/asset.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$12,451 for 2022. Of this amount, \$1,955 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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 2022, STRS did not allocate any employer contributions to post-employment health care.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)

Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.11633100%	0.00285165%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.12142600%</u>	<u>0.00240271%</u>	
Change in proportionate share	<u>0.00509500%</u>	<u>-0.00044894%</u>	
 Proportionate share of the net OPEB asset	\$ (3,675,663)	\$ (62,214)	\$ (3,737,877)
OPEB expense	(2,942,818)	(10,394)	(2,953,212)

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COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 – DEFINED BENEFIT OPEB PLANS – (Continued)

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

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 901	\$ 901
Net difference between projected and actual earnings on OPEB plan investments	-	1,081	1,081
Changes of assumptions	-	2,652	2,652
Changes in employer's proportionate percentage/difference between employer contributions	136,150	2,097	138,247
Contributions subsequent to the measurement date	12,451	-	12,451
Total deferred outflows of resources	<u>\$ 148,601</u>	<u>\$ 6,731</u>	<u>\$ 155,332</u>
	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 557,541	\$ 9,344	\$ 566,885
Net difference between projected and actual earnings on OPEB plan investments	1,752,296	-	1,752,296
Changes of assumptions	1,487,867	44,115	1,531,982
Changes in employer's proportionate percentage/difference between employer contributions	-	206	206
Total deferred inflows of resources	<u>\$ 3,797,704</u>	<u>\$ 53,665</u>	<u>\$ 3,851,369</u>

\$12,451 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability/asset in the year ending December 31, 2023.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 – DEFINED BENEFIT OPEB PLANS – (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	STRS	Total
2023	\$ (2,576,099)	\$ (13,455)	\$ (2,589,554)
2024	(867,836)	(13,235)	(881,071)
2025	(174,417)	(6,634)	(181,051)
2026	(43,202)	(2,766)	(45,968)
2027	-	(3,583)	(3,583)
Thereafter	-	(7,261)	(7,261)
Total	\$ (3,661,554)	\$ (46,934)	\$ (3,708,488)

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021.

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COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	3.25%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	3.25 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	1.84%
Prior Measurement date	2.00%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2034
Prior Measurement date	8.50% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

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 previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, 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 gain of 14.3% for 2021.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

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

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a 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 1.84%. 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 the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB asset	\$ 2,161,635	\$ 3,675,663	\$ 4,932,330

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of healthcare; the trend starting in 2022 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 the health care 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>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB asset	\$ 3,715,383	\$ 3,675,663	\$ 3,628,543

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation, compared with June 30, 2021, are presented below:

	<u>June 30, 2022</u>		<u>June 30, 2021</u>	
Inflation	2.50%		2.50%	
Projected salary increases	8.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
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%

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

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)

For the actuarial valuation as of June 30, 2022, healthy mortality rates are based on 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 Healthy Annuitant Mortality Table, adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the actuarial valuation as of June 30, 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2022, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2015, through June 30, 2021. The actuarial assumptions used in the June 30, 2021, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

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

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Real Rate of Return **</u>
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	<u>1.00</u>	1.00
Total	<u><u>100.00 %</u></u>	

* 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 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 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% 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 Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB asset	\$ 57,515	\$ 62,214	\$ 66,239

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	\$ 64,531	\$ 62,214	\$ 59,289

NOTE 18 - RELATED PARTY TRANSACTIONS

Coshocton County Airport authority is a component unit of Coshocton County. During 2022, the County Airport Authority received an operating transfer from the County in the amount of \$31,824.

Additionally, the County pays salary and fringe benefits for Airport Authority employees. During 2022, The County paid Airport Authority employees' salaries and fringe benefits of \$130,420. The Airport Authority obtains federal grants that have matching requirements of 10%, depending on the grant. Matching requirements are made from non-federal revenue sources. The County pays part of the local matching requirement of the Airport Authority grants. During 2022, The County paid \$5,429 to Airport Authority vendors to make the local matching requirements.

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, the human services fund, the motor vehicle license and gasoline tax fund, the county board of DD fund, the emergency ambulance levy fund and the american rescue plan act fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to restricted, assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

Net Change in Fund Balance

	<u>General fund</u>	<u>Human Services</u>	<u>Motor Vehicle License and Gasoline Tax</u>	<u>County Board of DD</u>	<u>Emergency Ambulance Levy</u>	<u>American Rescue Plan Act</u>
Budget basis	\$ (1,363,186)	\$ 49,219	\$ (516,249)	\$ 595,155	\$ (397,959)	\$ (2,670,231)
Net adjustment for revenue accruals	(590,651)	154,388	27,152	122,161	(37,992)	(106,473)
Net adjustment for expenditure accruals	69,854	(296,941)	(98,033)	(13,834)	(23,421)	(5,965)
Net adjustment for other sources/uses	(1,109,082)	(7,698)	(25,633)	(67,115)	-	-
Funds budgeted elsewhere	61,574	-	-	-	-	-
Adjustment for encumbrances	<u>879,300</u>	<u>119,810</u>	<u>311,772</u>	<u>116,115</u>	<u>160,237</u>	<u>2,782,669</u>
GAAP basis	<u>\$ (2,052,191)</u>	<u>\$ 18,778</u>	<u>\$ (300,991)</u>	<u>\$ 752,482</u>	<u>\$ (299,135)</u>	<u>\$ -</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the county recorder equipment fund, the certificate of title administration fund, the unclaimed monies fund, the foreclosure unclaimed monies fund, Medicaid sales tax transition fund and the payroll clearing accounts.

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COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 20 - FUND BALANCE

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

Fund balance	General	Human Services	Motor Vehicle and Gas Tax Fund	County Board of DD Fund	Emergency Ambulance Levy Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:								
Prepayments	\$ 219,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,910
Materials and supplies inventory	66,616	1,796	231,782	957	79,853	-	21,386	402,390
Unclaimed monies	141,700	-	-	-	-	-	-	141,700
Total nonspendable	428,226	1,796	231,782	957	79,853	-	21,386	764,000
Restricted:								
Capital projects	-	-	-	-	-	2,161,977	1,182,301	3,344,278
Debt service	-	-	-	-	-	-	1,365,316	1,365,316
Public works	-	-	3,632,505	-	-	-	113,531	3,746,036
Human services	-	4,558	-	-	-	-	258,907	263,465
Health	-	-	-	5,897,483	-	-	116,967	6,014,450
General government operations	-	-	-	-	-	-	730,963	730,963
Public safety programs	-	-	-	-	-	-	1,376,891	1,376,891
Other purposes	-	-	-	-	-	-	6,242	6,242
Total restricted	-	4,558	3,632,505	5,897,483	-	2,161,977	5,151,118	16,847,641
Committed:								
Human services	-	-	-	-	-	-	557,311	557,311
Health	-	-	-	-	1,216,139	-	-	1,216,139
Public safety programs	-	-	-	-	-	-	264,017	264,017
Total committed	-	-	-	-	1,216,139	-	821,328	2,037,467
Assigned:								
Human services	3,837	-	-	-	-	-	-	3,837
Health services	29,028	-	-	-	-	-	-	29,028
General government operations	163,616	-	-	-	-	-	-	163,616
Public safety programs	194,143	-	-	-	-	-	-	194,143
Public works	10,448	-	-	-	-	-	-	10,448
Capital outlay	405,641	-	-	-	-	-	-	405,641
Subsequent year appropriations	2,060,380	-	-	-	-	-	-	2,060,380
Total assigned	2,867,093	-	-	-	-	-	-	2,867,093
Unassigned (deficit)	315,135	-	-	-	-	-	(1,500,163)	(1,185,028)
Total fund balances	\$ 3,610,454	\$ 6,354	\$ 3,864,287	\$ 5,898,440	\$ 1,295,992	\$ 2,161,977	\$ 4,493,669	\$ 21,331,173

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 21 - OTHER COMMITMENTS

The County utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the County’s commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year - End Encumbrances</u>
General	\$ 806,713
Human services	37,252
Motor vehicle and gas tax	242,897
County board of DD	103,296
Emergency ambulance levy	140,406
American rescue plan act	2,777,159
Other governmental	<u>6,121,176</u>
 Total	 <u>\$ 10,228,899</u>

NOTE 22 - TAX ABATEMENTS

As of December 31, 2022, the County provides tax abatements through an Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority, in conjunction with the Coshocton Port Authority negotiates the terms of the Enterprise Zone Agreement (the “Agreement”) with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. Once the Department of Taxation approves the agreement, the amount of the abatement is deducted from the business’s property tax bill by removing the valuation from the taxable parcel and listing the associated assessed value on the exempt tax list.

The County has jointly entered into agreements with the City of Coshocton to abate property taxes through this program. During 2022, the County’s property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>	<u>County Taxes Abated</u>
Ezone	\$ <u>20,117</u>
Total	<u>\$ 20,117</u>

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 23 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT

A. Reporting Entity

The Coshocton County Regional Airport Authority, Coshocton County, (the Airport) 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 Authority is directed by a five member Board, with a majority of the Board appointed by the Coshocton County Commissioners. The Board has the authority to exercise all of the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. Since the Airport imposes a financial burden on the County, the Airport is reflected as a component unit of Coshocton County. The Airport has a December 31 year end.

B. Summary of Significant Accounting Policies

The Airport reports its operations as a single enterprise fund. Enterprise accounting is used to report any activity for which a fee is charged to external users for goods or services.

1. *Measurement Focus and Basis of Accounting*

The Airport’s fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in net total position. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The Airport used the full accrual basis of accounting in which revenue is recognized when earned and expenses when incurred.

2. *Cash*

Cash received by the Airport is maintained in three separate checking accounts. Separate checking accounts are used to track cash activity related to the Airport’s general fund, Federal Aviation Administration (FAA) federal grant activity, and special events, respectively. The Airport has no investments.

3. *Capital Assets*

The Airport maintains a capital assets threshold of \$2,500. All capital assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year.

Donated capital assets are recorded at their acquisition values as of the date donated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fund capital assets.

Depreciation is computed using the straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 80 years
Furniture and Equipment	8 - 15 years
Vehicles	10 - 20 years
Infrastructure	10 - 50 years

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 23 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT (Continued)

4. *Estimates*

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

5. *Inventories*

Inventories are presented at cost on a first in, first out basis and are expensed when resold. Inventories held for resale primarily consist of fuel.

C. Change in Accounting Principles

For 2022, the Airport has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

These changes were incorporated in the Airport's 2022 financial statements. The Airport recognized \$99,930 in leases receivable at January 1, 2022, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the Airport.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the Airport.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the Airport.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the Airport.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 23 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT (Continued)

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the Airport.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Airport.

D. Deposits and Investments

At year end, the carrying amount of the Airport’s deposits was \$111,794 and the bank balance was \$131,703. The entire bank balance was covered by Federal Deposit Insurance Corporation. The Airport has no investments. The Airport also had \$300 in cash on hand.

E. Capital Assets

	Balance 12/31/21	Additions	Deductions	Balance 12/31/22
<i>Capital assets, not being depreciated:</i>				
Land	\$ 189,296	\$ -	\$ -	\$ 189,296
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>189,296</u>	<u>-</u>	<u>-</u>	<u>189,296</u>
<i>Capital assets, being depreciated:</i>				
Building and improvements	675,000	-	-	675,000
Infrastructure	5,790,582	-	-	5,790,582
Vehicles	-	-	-	-
Furniture and equipment	546,484	-	-	546,484
Total cost	<u>7,012,066</u>	<u>-</u>	<u>-</u>	<u>7,012,066</u>
<i>Less: accumulated depreciation:</i>				
Building and improvements	(328,750)	(11,250)	-	(340,000)
Infrastructure	(3,149,302)	(277,327)	-	(3,426,629)
Vehicles	-	-	-	-
Furniture and equipment	(369,844)	(16,366)	-	(386,210)
Total accumulated depreciation	<u>(3,847,896)</u>	<u>(304,943)</u>	<u>-</u>	<u>(4,152,839)</u>
Total capital assets, being depreciated net	<u>3,164,170</u>	<u>(304,943)</u>	<u>-</u>	<u>2,859,227</u>
Total capital assets, net	<u>\$ 3,353,466</u>	<u>\$ (304,943)</u>	<u>\$ -</u>	<u>\$ 3,048,523</u>

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 23 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT (Continued)

F. Lease Receivable

The Airport is reporting leases receivable of \$230,783. For fiscal year 2022, the Airport recognized lease revenue of \$39,708, which is reported in rental income and interest revenue of \$1,895 related to the leases.

The Airport has entered into leases agreements for use of land, buildings, hangars, office space and storage space. Leases for land are for five years and can extend up to ninety-nine years, with payment amounts being evaluated every five years. Changes in payment terms must be agreed upon by both parties. The recognition of a new lease is required with each evaluation. Building, hangar, office and storage lease spaces vary with terms from four to 19 years. Payments are made monthly or annually depending on the lease.

A summary of the principal and interest amounts expected to be collected by the Airport for each of the five subsequent fiscal years follows:

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 60,165	\$ 4,406	\$ 64,571
2024	53,349	3,401	56,750
2025	41,129	2,420	43,549
2026	27,353	1,535	28,888
2027	21,963	784	22,747
2028 - 2032	<u>26,824</u>	<u>1,134</u>	<u>27,958</u>
Total	<u>\$ 230,783</u>	<u>\$ 13,680</u>	<u>\$ 244,463</u>

NOTE 24 - COSHOCTON COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT

Description of the Corporation

The Coshocton County Land Reutilization Corporation (the “Corporation”) is a county land reutilization corporation that was formed on August 17, 2020 when the Coshocton County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing vacant, abandoned, tax-foreclosed or other real property throughout Coshocton County. The Corporation can potentially address parcels where the fair value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return properties to productive use. The Corporation has been designated as the County’s agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

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

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 24 - COSHOCTON COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT

- (Continued)

The Corporation is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organization Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus", the Corporation's primary government and basic financial statements include components units which are defined as legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board and (1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the Corporation is legally entitled to or can otherwise access the organization's resources; or (3) the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Corporation is obligated for the debt of organization. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable. The Corporation is a component unit of Coshocton County, Ohio.

Summary of Significant Accounting Policies

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

The Corporation's significant accounting policies are described below.

Basis of Presentation

The Corporation's basic financial statements include a statement of net position and a statement of activities. The statement of net position and the statement of activities display information about the Corporation as a whole.

The statement of net position presents the financial condition of the Corporation at year-end. The statement of activities presents a comparison between the expenses and program revenues for each program or function of the Corporation's governmental activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Corporation.

Measurement Focus

The financial statements are prepared using a flow of economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Basis of Accounting

Basis of accounting determines when transactions are recorded on the financial records and reported on the financial statements. The financial statements are prepared using the accrual basis of accounting.

On the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time they are incurred.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 24 - COSHOCTON COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT
- (Continued)

Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities.

Federal Income Tax

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

Cash and Cash Equivalents

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

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. All properties are recorded at the estimated net realizable value. The Corporation holds the properties until the home is either sold to a new owner, sold to an individual who will rehabilitate or the structure on the property is demolished. Properties with demolished structures could be transferred to the city or township they are in after demolition; parcels may be merged with adjacent parcels for development or green space projects; or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2022.

Intergovernmental Revenue

The Corporation receives operating income through Coshocton County. This money represents 5% of all collections on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation.

Deposits and Investments

Deposits with Financial Institutions

At December 31, 2022, the carrying amount of all Corporation deposits was \$147,814. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2022, all of the Corporations bank balance of \$147,814 was covered by the Federal Deposit Insurance Corporation (FDIC).

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 24 - COSHOCTON COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT

- (Continued)

Risk Management

Property and Liability

The Corporation is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the Corporation was covered by the County's insurance policy.

Transactions with Coshocton County

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Coshocton County Board of Commissioners to receive 5.00% of all collections of delinquent real property and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax Assessment and Collection Tax (DTACT) fund and will be available for appropriation by the Corporation to fund operations.

NOTE 25 - LITIGATION

Several lawsuits are pending with the County. However, the County is not party to any legal proceedings that would, in the County's opinion, have a material effect on the basic financial statements.

NOTE 26 – SUBSEQUENT EVENTS

On March 1, 2023, Grant Daugherty became the County Auditor.

On March 8, 2023, the County entered into a Bond Purchase Agreement in the amount of \$26,075,000. These bonds will be used for various purposes including for the purpose of designing, constructing, improving, furnishing and equipping a County EMS building, the County health department building, the Hopewell building and constructing, installing roof improvements at various County buildings, and a County jail.

On April 6, 2023, the County issued County Jail Construction and Improvement Notes, Series 2023A, for \$10,600,000 for the purpose of designing, constructing, improving, furnishing and equipping a County jail.

On July 20, 2023, the Airport approved a \$1,083,735 contract for the construction of a new corporate hangar. The project is expected to be funded by a federal grant.

REQUIRED SUPPLEMENTARY INFORMATION

COSHOCTON COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Traditional Plan:</i>				
County's proportion of the net pension liability	0.123882%	0.118548%	0.115623%	0.115473%
County's proportionate share of the net pension liability	\$ 10,416,666	\$ 16,972,971	\$ 22,240,091	\$ 29,688,152
County's covered payroll	\$ 17,396,451	\$ 15,560,971	\$ 14,999,298	\$ 14,387,989
County's proportionate share of the net pension liability as a percentage of its covered payroll	59.88%	109.07%	148.27%	206.34%
Plan fiduciary net position as a percentage of the total pension liability	92.62%	86.88%	82.17%	74.70%
<i>Combined Plan:</i>				
County's proportion of the net pension asset	0.128518%	0.112035%	0.101442%	0.116493%
County's proportionate share of the net pension asset	\$ 489,380	\$ 312,693	\$ 205,852	\$ 122,284
County's covered payroll	\$ 566,500	\$ 480,486	\$ 423,907	\$ 481,400
County's proportionate share of the net pension asset as a percentage of its covered payroll	86.39%	65.08%	48.56%	25.40%
Plan fiduciary net position as a percentage of the total pension asset	169.88%	157.67%	145.28%	126.64%
<i>Member Directed Plan:</i>				
County's proportion of the net pension asset	0.631040%	0.068732%	0.073450%	0.065351%
County's proportionate share of the net pension asset	\$ 11,073	\$ 12,114	\$ 2,701	\$ 1,398
County's covered payroll	\$ 382,530	\$ 401,710	\$ 409,860	\$ 360,950
County's proportionate share of the net pension asset as a percentage of its covered payroll	2.89%	3.02%	0.66%	0.39%
Plan fiduciary net position as a percentage of the total pension asset	171.84%	188.21%	118.84%	113.42%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.117088%	0.114872%	0.120146%	0.119920%	0.119920%
\$ 17,748,319	\$ 25,393,424	\$ 20,254,366	\$ 14,069,900	\$ 13,752,108
\$ 15,199,868	\$ 15,527,875	\$ 14,691,942	\$ 14,951,925	\$ 14,388,777
116.77%	163.53%	137.86%	94.10%	95.58%
84.66%	77.25%	81.08%	86.45%	86.36%
0.115052%	0.107132%	0.084810%	0.089523%	0.089523%
\$ 151,332	\$ 58,044	\$ 40,167	\$ 33,530	\$ 9,138
\$ 458,692	\$ 402,633	\$ 314,325	\$ 327,242	\$ 331,946
32.99%	14.42%	12.78%	10.25%	2.75%
137.28%	116.55%	116.90%	114.83%	104.56%
0.068967%	0.069012%	0.061383%	n/a	n/a
\$ 2,326	\$ 279	\$ 228	n/a	n/a
\$ 367,280	\$ 429,900	\$ 406,310	n/a	n/a
0.63%	0.06%	0.06%	n/a	n/a
124.45%	103.40%	103.91%	n/a	n/a

COSHOCTON COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST NINE YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the net pension liability	0.00240271%	0.00285165%	0.00276633%	0.00281976%
County's proportionate share of the net pension liability	\$ 534,125	\$ 364,609	\$ 669,353	\$ 623,573
County's covered-employee payroll	\$ 294,979	\$ 373,250	\$ 369,800	\$ 352,879
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	181.07%	97.68%	181.00%	176.71%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.00278605%	0.00265062%	0.00274362%	0.00267909%	0.00289660%
\$ 612,590	\$ 629,660	\$ 918,372	\$ 740,422	\$ 704,553
\$ 334,714	\$ 323,957	\$ 293,443	\$ 263,736	\$ 332,985
183.02%	194.37%	312.96%	280.74%	211.59%
77.30%	75.30%	66.80%	72.10%	74.70%

COSHOCTON COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 2,529,615	\$ 2,541,275	\$ 2,275,455	\$ 2,318,200
Contributions in relation to the contractually required contribution	<u>(2,529,615)</u>	<u>(2,541,275)</u>	<u>(2,275,455)</u>	<u>(2,318,200)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 17,315,646	\$ 17,396,451	\$ 15,560,871	\$ 14,999,298
Contributions as a percentage of covered payroll	14.61%	14.61%	14.62%	15.45%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 84,809	\$ 79,310	\$ 67,268	\$ 59,347
Contributions in relation to the contractually required contribution	<u>(84,809)</u>	<u>(79,310)</u>	<u>(67,268)</u>	<u>(59,347)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 605,779	\$ 566,500	\$ 480,486	\$ 423,907
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 31,126	\$ 38,253	\$ 40,171	\$ 40,986
Contributions in relation to the contractually required contribution	<u>(31,126)</u>	<u>(38,253)</u>	<u>(40,171)</u>	<u>(40,986)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 311,260	\$ 382,530	\$ 401,710	\$ 409,860
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 2,108,656	\$ 2,066,950	\$ 1,863,345	\$ 1,763,033	\$ 1,794,231	\$ 1,870,541
<u>(2,108,656)</u>	<u>(2,066,950)</u>	<u>(1,863,345)</u>	<u>(1,763,033)</u>	<u>(1,794,231)</u>	<u>(1,870,541)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,387,989	\$ 15,199,868	\$ 15,527,875	\$ 14,691,942	\$ 14,951,925	\$ 14,388,777
14.65%	13.59%	12.00%	12.00%	12.00%	13.00%
\$ 67,396	\$ 59,630	\$ 48,316	\$ 37,719	\$ 39,269	\$ 43,153
<u>(67,396)</u>	<u>(59,630)</u>	<u>(48,316)</u>	<u>(37,719)</u>	<u>(39,269)</u>	<u>(43,153)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 481,400	\$ 458,692	\$ 402,633	\$ 314,325	\$ 327,242	\$ 331,946
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
\$ 36,095	\$ 36,728	\$ 42,990	\$ 40,631	\$ -	\$ -
<u>(36,095)</u>	<u>(36,728)</u>	<u>(42,990)</u>	<u>(40,631)</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 360,950	\$ 367,280	\$ 429,900	\$ 406,310	\$ -	\$ -
10.00%	10.00%	10.00%	10.00%	-	-

COSHOCTON COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 40,408	\$ 41,297	\$ 52,255	\$ 51,772
Contributions in relation to the contractually required contribution	<u>(40,408)</u>	<u>(41,297)</u>	<u>(52,255)</u>	<u>(51,772)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 288,629	\$ 294,979	\$ 373,250	\$ 369,800
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 49,403	\$ 46,860	\$ 45,354	\$ 41,082	\$ 36,923	\$ 43,288
<u>(49,403)</u>	<u>(46,860)</u>	<u>(45,354)</u>	<u>(41,082)</u>	<u>(36,923)</u>	<u>(43,288)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 352,879	\$ 334,714	\$ 323,957	\$ 293,443	\$ 263,736	\$ 332,985
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

COSHOCTON COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/NET OPEB ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the net OPEB liability/asset	0.121426%	0.116331%	0.113512%	0.113492%
County's proportionate share of the net OPEB liability/(asset)	\$ (3,675,663)	\$ (2,003,887)	\$ 15,258,005	\$ 13,890,154
County's covered payroll	\$ 18,345,481	\$ 16,443,067	\$ 15,833,065	\$ 15,230,339
County's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	-20.04%	-12.19%	96.37%	91.20%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	128.23%	115.57%	47.80%	46.33%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>
0.114970%	0.112186%
\$ 12,063,143	\$ 11,030,918
\$ 16,025,840	\$ 16,360,408
75.27%	67.42%
54.14%	54.05%

COSHOCTON COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the net OPEB liability	0.00240271%	0.00285165%	0.00276633%	0.00281976%
County's proportionate share of the net OPEB liability (asset)	\$ (62,214)	\$ (60,125)	\$ (48,618)	\$ (46,702)
County's covered-employee payroll	\$ 294,979	\$ 373,250	\$ 369,800	\$ 352,879
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-21.09%	-16.11%	-13.15%	-13.23%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.13%	174.70%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>
0.00278605%	0.00265062%
\$ (45,000)	\$ 103,417
\$ 334,714	\$ 323,957
-13.44%	31.92%
176.00%	47.10%

COSHOCTON COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 12,451	\$ 15,301	\$ 16,069	\$ 16,394
Contributions in relation to the contractually required contribution	<u>(12,451)</u>	<u>(15,301)</u>	<u>(16,069)</u>	<u>(16,394)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 18,232,685	\$ 18,345,481	\$ 16,443,067	\$ 15,833,065
Contributions as a percentage of covered payroll	0.07%	0.08%	0.10%	0.10%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 14,438	\$ 171,277	\$ 319,670	\$ 285,313	\$ 296,762	\$ 140,955
<u>(14,438)</u>	<u>(171,277)</u>	<u>(319,670)</u>	<u>(285,313)</u>	<u>(296,762)</u>	<u>(140,955)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,230,339	\$ 16,025,840	\$ 16,360,408	\$ 15,412,577	\$ 15,279,167	\$ 14,720,723
0.09%	1.07%	1.95%	1.85%	1.94%	0.96%

COSHOCTON COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 288,629	\$ 294,979	\$ 373,250	\$ 369,800
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,840	\$ 3,330
-	-	-	-	(2,840)	(3,330)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 352,879	\$ 334,714	\$ 323,957	\$ 293,443	\$ 263,736	\$ 332,985
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

COSHOCTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%. In addition, for 2022, Pre-retirement mortality rates are based on the Pub-2010 General Employee Mortality tables for State and Local Government divisions, the Pub-2010 Safety Employee Mortality tables for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on the PubG-2010 Retiree Mortality Tables. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

(Continued)

COSHOCTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2016.
- For 2017, STRS decreased the Cost of Living Adjustment (COLA) to zero effective July 1, 2017.
- There were no changes in benefit terms for 2018.
- There were no changes in benefit terms for 2019.
- There were no changes in benefit terms for 2020.
- There were no changes in benefit terms for 2021.
- There were no changes in benefit terms for 2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016.
- For 2017, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in assumptions for 2018.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- For 2021, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) projected salary increases changed from 12.50% at age 20 to 2.50% at age 65 to 8.50% at age 20 to 2.50% at age 65 and (b) post-retirement mortality rates were changed from RP-2014 Annuitant Mortality Tables to Pub-2010 Teacher Health Annuitant Mortality Tables.

(Continued)

COSHOCTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034. In addition, for 2022, pre-retirement mortality rates are based on Pub-2010 General Employee Mortality tables for State and Local Government divisions, the Pub-2010 Safety Employee Mortality tables for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based the PubG-2010 Retiree Mortality Tables. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

(Continued)

COSHOCTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- For 2017, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For 2018, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For 2019, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For 2020, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- For 2022, the non-Medicare subsidy percentage was increased from 2.100% to 2.200%.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For 2018, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For 2019, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For 2021, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) projected salary increases changed from 12.50% at age 20 to 2.50% at age 65 to 8.50% at age 20 to 2.50% at age 65, (b) post-retirement mortality rates were changed from RP-2014 Annuity Mortality Tables to Pub-2010 Teacher Health Annuity Mortality Tables and (c) health care cost trend rates were changed to the following: medical pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate, Medicare -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate, Medicare 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

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COSHOCTON COUNTY

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

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number/ Additional Award Identification	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the Ohio Department of Job and Family Services:</i>			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:			
COVID-19 American Rescue Plan Act	10.561	G-2223-11-6913	\$31,704
FAET Operating	10.561	G-2223-11-6913	32,097
FAET 100%	10.561	G-2223-11-6913	1,764
Income Maintenance Food Assistance	10.561	G-2223-11-6913	376,645
Total SNAP Cluster			<u>442,210</u>
Total U.S. Department of Agriculture			442,210
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grants/State's Program:			
Community Development Block Grants/State's Program	14.228	B-C-19-1AP-1	16,142
Community Development Block Grants/State's Program	14.228	B-C-21-1AP-1	122,389
COVID-19 Community Development Block Grants/State's Program	14.228	B-D-21-1AP-3	25,000
COVID-19 Community Development Block Grants/State's Program	14.228	B-D-21-1AP-4	30,000
Community Development Block Grants/State's Program	14.228	B-F-21-1AP-1	62,196
Community Development Block Grants/State's Program	14.228	B-X-20-1AP-1	490,999
Community Development Block Grants/State's Program	14.228	B-X-21-1AP-1	43,918
Total Community Development Block Grants / State's Program			<u>790,644</u>
Home Investment Partnerships Program			
Home Investment Partnerships Program	14.239	B-C-19-1AP-2	31,169
Home Investment Partnerships Program	14.239	B-C-21-1AP-2	148,932
Total Home Investment Partnerships Program			<u>180,101</u>
Total U.S. Department of Housing and Urban Development			970,745
<u>U.S. DEPARTMENT OF THE INTERIOR</u>			
<i>Direct from U.S Department of the Interior:</i>			
Payment in Lieu of Taxes	15.226	N/A	135
Total U.S. Department of the Interior			135
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed through the Ohio Office of Criminal Justice Services:</i>			
Crime Victims Assistance Program	16.575	2022-VOCA-134715300	36,010
Total U.S. Department of Justice			36,010
<u>U.S. DEPARTMENT OF LABOR</u>			
<i>Passed through Greater Ohio Workforce Board, Inc</i>			
Unemployment Insurance			
RESEA Program (PY21)	17.225	2020/21-7216-1	58,844
RESEA Program (SFY22)	17.225	2020/21-7216-1	25,394
Total Unemployment Insurance			<u>84,238</u>
WIOA Cluster:			
WIA / WIOA - Adult Program			
WIA/WIOA Adult Program - PY21	17.258	2020/21-7216-1	17,946
WIA/WIOA Adult Program - FY21	17.258	2020/21-7216-1	69,556
WIA/WIOA Adult Program - PY22	17.258	2020/21-7216-1	15,856
WIA/WIOA Adult Program - FY22	17.258	2020/21-7216-1	69,586
WIA/WIOA Adult Program - FY23	17.258	2020/21-7216-1	9,373
Total WIA / WIOA - Adult Program			<u>182,317</u>
WIA / WIOA - Youth Activities			
WIA/WIOA Youth Activities (PY20)	17.259	2020/21-7216-1	62,256
WIA/WIOA Youth Activities (PY21)	17.259	2020/21-7216-1	50,263
Total WIA / WIOA - Youth Activities			<u>112,519</u>

COSHOCTON COUNTY

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

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number/ Additional Award Identification	Total Federal Expenditures
<u>U.S. DEPARTMENT OF LABOR (Continued)</u>			
WIOA Cluster (Continued):			
WIA / WIOA - Dislocated Workers Formula			
WIA/WIOA Dislocated Workers Formula Grants (PY21)	17.278	2020/21-7216-1	14,017
WIA/WIOA Dislocated Workers Formula Grants (FY21)	17.278	2020/21-7216-1	13,658
WIA/WIOA Dislocated Workers Formula Grants (FY22)	17.278	2020/21-7216-1	38,380
Total WIA / WIOA - Dislocated Workers Formula			<u>66,055</u>
Total WIOA Cluster			<u>360,891</u>
WIOA National Dislocated Workers / WIA National Emergency Grants	17.277	2020/21-7216-1	<u>100,952</u>
Total U.S. Department of Labor			546,081
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Direct from U.S. Department of Transportation:</i>			
Airport Improvement Program			
Airport Improvement Program	20.106	3-39-0028-027-2021	225,174
COVID-19 Airport Improvement Program	20.106	3-39-0028-028-2021	7,492
Airport Improvement Program	20.106	3-39-0028-030-2022	31,973
Total Airport Improvement Program			<u>264,639</u>
<i>Passed through the Ohio Department of Transportation:</i>			
Formula Grants for Rural Areas and Tribal Transit Program			
Formula Grants for Rural Areas	20.509	RPTF-4192-005-221	284,280
Formula Grants for Rural Areas	20.509	RPTM-0192-005-221	18,237
Total Formula Grants for Rural Areas and Tribal Transit Program			<u>302,517</u>
Total U.S. Department of Transportation			567,156
<u>U.S. DEPARTMENT OF THE TREASURY</u>			
<i>Direct from U.S. Department of the Treasury:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Grant	21.027	SLFRP0763	3,442,123
COVID-19 Local Assistance and Tribal Consistency Fund	21.032	N/A	<u>50,000</u>
Total U.S. Department of the Treasury			3,492,123
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed through the Ohio Department of Education:</i>			
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B)	84.027	H027A210111	1,056
Special Education - Grants to States (IDEA, Part B)	84.027	H027A220111	14,254
COVID-19 Special Education - Grants to States (IDEA, Part B)	84.027X	H027X210111	566
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A210119	692
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A220119	6,242
COVID-19 Special Education - Preschool Grants (IDEA Preschool)	84.173X	H173X210119	42
Total Special Education Cluster (IDEA)			<u>22,852</u>
Education Stabilization Fund:			
COVID-19 Governor's Emergency Education Relief (GEER)	84.425C	N/A	8,670
COVID-19 Governor's Emergency Education Relief (GEER) II	84.425C	HB169	<u>11,447</u>
Total Education Stabilization Fund			<u>20,117</u>
<i>Passed through the Ohio Department of Developmental Disabilities:</i>			
COVID-19 Early Intervention - Help Me Grow	84.181X	H181X210024	<u>1,404</u>
Total U.S. Department of Education			44,373
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>			
<i>Passed through the Ohio Secretary of State:</i>			
HAVA Election Security Grant	90.404	EACELSEC180H	<u>10,000</u>
Total U.S. Election Assistance Commission			10,000

COSHOCTON COUNTY

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

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number/ Additional Award Identification	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through the Area Agency on Aging, Region 9:</i>			
Aging Cluster:			
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	N/A	41,029
Total Aging Cluster			41,029
<i>Passed through the Ohio Supreme Court:</i>			
State Court Improvement Grant	93.586	2101OHSCID	2,497
<i>Passed through the Ohio Department of Health:</i>			
Injury Prevention and Control Research and State and Community Based Programs	93.136	N/A	2,048
Maternal, Infant, and Early Childhood Home Visiting:			
Maternal, Infant, and Early Childhood Home Visiting	93.870	01610021MH1022	64,477
Maternal, Infant, and Early Childhood Home Visiting	93.870	01610021MH1123	12,545
Total Maternal, Infant, and Early Childhood Home Visiting			77,022
<i>Passed through the Ohio Department of Developmental Disabilities:</i>			
Social Services Block Grant	93.667	2201OHSOSR	27,224
<i>Passed through the Ohio Department of Job and Family Services:</i>			
Promoting Safe and Stable Families:			
FCFC IV-B Part 2	93.556	G-2223-11-6913	36,582
Caseworker Visits	93.556	G-2223-11-6913	2,750
PASS - Post Adoption Special Services Subsidy	93.556	G-2223-11-6913	2,385
ESAA Preservation	93.556	G-2223-11-6913	8,153
ESAA Reunification	93.556	G-2223-11-6913	23,671
Total Promoting Safe and Stable Families:			73,541
Temporary Assistance for Needy Families (TANF) State Programs:			
TANF Administration	93.558	G-2223-11-6913	208,899
TANF Regular (Program)	93.558	G-2223-11-6913	534,608
FFY19 TANF Performance Incentives	93.558	G-2223-11-6913	42,743
CCMEP TANF Administration	93.558	G-2223-11-6913	5,263
CCMEP TANF Regular	93.558	G-2223-11-6913	118,047
Fraud Awareness	93.558	G-2223-11-6913	1,805
Kinship Caregiver	93.558	G-2223-11-6913	8,232
TANF Summer Youth	93.558	G-2223-11-6913	58,845
Total Temporary Assistance for Needy Families (TANF) State Programs			978,442
Child Support Enforcement:			
Child Support Awareness	93.563	G-2223-11-6913	800
Federal Child Support	93.563	G-2223-11-6913	409,672
Federal Incentives	93.563	G-2223-11-6913	100,909
Total Child Support Enforcement			511,381
CCDF Cluster:			
Child Care Administration	93.575	G-2223-11-6913	4,845
Child Care Non-Administration	93.575	G-2223-11-6913	43,635
Total CCDF Cluster			48,480
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6913	98,771
Foster Care Title IV-E:			
Title IV-E Administration & Training Foster Care - 75%	93.658	G-2223-11-6913	16,019
Title IV-E Administration & Training Foster Care	93.658	G-2223-11-6913	144,774
Title IV-E Foster Care Contracts	93.658	G-2223-11-6913	173
Title IV-E Foster Care Maintenance	93.658	G-2223-11-6913	803,672
Total Foster Care Title IV-E:			964,638
Adoption Assistance:			
Adoption Assistance Administration & Training - 75%	93.659	G-2223-11-6913	22,529
Adoption Assistance Administration & Training - Adoption	93.659	G-2223-11-6913	208,992
Title IV-E Adoption Assistance Contracts	93.659	G-2223-11-6913	228
Non-Recurring Adoption	93.659	G-2223-11-6913	1,400
Total Adoption Assistance			233,149

COSHOCTON COUNTY

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

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number/ Additional Award Identification	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u>			
Social Services Block Grant:			
Title XX - Base Subsidy	93.667	G-2223-11-6913	223,046
Title XX - Transfer	93.667	G-2223-11-6913	<u>207,757</u>
Total Social Services Block Grant			430,803
 John H. Chafee Foster Care Program for Successful Transition to Adulthood	 93.674	 G-2223-11-6913	 10,402
 Elder Abuse Prevention Interventions Program			
COVID-19 Stimulus APS	93.747	G-2223-11-6913	1,000
COVID-19 Ohio ARPA APS	93.747	G-2223-11-6913	<u>14,365</u>
Total Elder Abuse Prevention Interventions Program			15,365
 Children's Health Insurance Program	 93.767	 G-2223-11-6913	 11,854
 Medicaid Cluster:			
Medical Assistance Program:			
Medicaid 50% and 75%	93.778	G-2223-11-6913	242,972
Medicaid Combined	93.778	G-2223-11-6913	45,035
Medicaid NET	93.778	G-2223-11-6913	209,811
Medicaid Pregnancy Related Services / Transportation	93.778	G-2223-11-6913	76
Medicaid Child Welfare Related	93.778	G-2223-11-6913	<u>837</u>
Total Medicaid Cluster			498,731
 Total U.S. Department of Health and Human Services			 4,025,377
 <u>U.S DEPARTMENT OF HOMELAND SAFETY</u>			
<i>Passed through the Ohio Emergency Management Agency:</i>			
Emergency Management Performance Grants			
Emergency Management Performance Grants	97.042	EMC-2021-EP-00002	49,392
COVID-19 Emergency Management Performance Grants	97.042	EMC-2021-EP-00007	<u>15,791</u>
Total Emergency Management Performance Grants			65,183
 Pre-Disaster Mitigation Grant Program	 97.047	 EMC-2018-PC-0006	 <u>8,333</u>
 Total U.S. Department of Homeland Safety			 73,516
 Total Federal Awards Expenditures			 <u>\$10,207,726</u>

The accompanying notes are an integral part of this Schedule.

COSHOCTON COUNTY

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

NOTE A – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Coshocton County (the County) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

NOTE B – INDIRECT COST RATE

2 CFR § 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally funded programs. The County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE D - TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2022, the County made allowable transfers of \$207,757 from the Temporary Assistance for Needy Families (TANF) (AL #93.558) program to the Social Services Block Grant (SSBG) (AL #93.667) program. The Schedule shows the County spent approximately \$978,442 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2022 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families		\$ 1,186,199
Transfer to Social Services Block Grant	93.667	<u>(207,757)</u>
Total Temporary Assistance for Needy Families	93.558	<u>\$ 978,442</u>

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OHIO AUDITOR OF STATE KEITH FABER



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

Coshocton County
349 Main Street
Coshocton, Ohio 43812

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Coshocton County, Ohio (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 30, 2023, wherein we noted the County adopted the new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2022-002 and 2022-004 to be significant deficiencies.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-003 and 2022-004.

County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the Findings identified in our audit and described in the accompanying Corrective Action Plan. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

October 30, 2023

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Coshocton County
349 Main Street
Coshocton, Ohio 43812

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Coshocton County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2022-005. Our opinion on each major federal program is not modified with respect to these 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 Corrective Action Plan. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2022-005, to be a material weakness.

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

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our audit described in the accompanying 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.

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



Keith Faber
Auditor of State
Columbus, Ohio

October 30, 2023

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COSHOCTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list): <ul style="list-style-type: none"> • AL #14.228 – Community Development Block Grants/State's Program • AL #21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds Grant 	
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2022-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in

COSHOCTON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

2 CFR § 200.515

DECEMBER 31, 2022

(Continued)

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

FINDING NUMBER 2022-001 (Continued)

Material Weakness (Continued)

conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Errors were noted in the County's financial statements and generally accepted accounting principles (GAAP) conversion that required the following audit reclassifications and adjustments to be made to the financial statements:

- The County understated Land and Construction in Progress by \$2,500,000 as broadband infrastructure costs were not capitalized;
- Governmental Activities Grants and Entitlements Not Restricted for Specific Programs was overstated by \$1,015,943. This amount should have been reported to various Operating Grants and Contributions program revenue;
- Governmental Activities Capital Grants and Contributions were overstated by \$350,100. Charges for Services and Operating Grants and Contributions program revenue were understated by \$8,198 and \$341,902, respectively;
- Governmental Activities Sales Taxes Levied for General Purposes was overstated by \$1,222,668 as this should have been included in the total Sales Taxes Levied for Debt Purposes;
- The Airport overstated Depreciable Capital Assets by \$229,081 as they capitalized maintenance costs that should not have capitalized;
- Internal Service Fund Charges for Services was understated by \$167,541. This fund's Other Revenue was overstated by the same amount;
- General Fund Due from Other Governments and Due to Other Governments were understated by \$496,208, respectively, due to errors in the submission in federal taxes for the fourth quarter of 2022;
- General Fund cash was overstated by \$593,360 as the change in fair market value for investments was improperly calculated;
- General Fund Sales Tax Receivable and related Deferred Inflows were overstated by \$233,937, respectively. The nonmajor Criminal Justice Debt Fund, an Other Governmental Fund, Sales Tax Receivable, Deferred Inflows for Sales Tax Revenue not Available, and Sales Tax Revenue were understated by \$627,320, \$426,430 and \$200,890, respectively;
- General Fund Interfund Loans Receivable and Internal Service Interfund Loans Payable were overstated by \$300,000, respectively. This occurred as the County forgave for this advance but did not reflect it in their accounting system. Forgiveness of an advance should be reflected as showing the repayment of the advance from the Internal Service Fund to the General Fund, and then reporting a transfer from the General Fund to the Internal Service Fund. As a result, General Fund Transfers Out and Internal Service Transfers In were understated by \$300,000 respectively. Advances In on the General Fund budget versus actual statement were also understated by \$300,000;
- Human Services Intergovernmental Revenue was understated by \$1,766,860. This fund's Other Revenue was overstated by the same amount;
- Human Services Due from Other Funds was understated by \$240,025 and Other Governmental Funds Due to Other Funds was understated by the same amount;
- Human Services Due from Other Governments was overstated by \$26,481;

COSHOCTON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

2 CFR § 200.515

DECEMBER 31, 2022

(Continued)

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

FINDING NUMBER 2022-001 (Continued)

Material Weakness (Continued)

- Emergency Ambulance Levy Fund Charges for Services was understated by \$475,986. This fund's Intergovernmental Revenue was overstated by the same amount;
- Emergency Ambulance Levy Funds Deferred Inflows for Miscellaneous Revenue was understated by \$140,587. This fund's Charges for Services was overstated by the same amount;
- The nonmajor Children Services Fund, an Other Governmental Fund, understated Deferred Inflows for Nonexchange Transactions by \$424,474. This fund's Due from Other Governments and Intergovernmental Revenue were overstated by \$15,444 and \$439,918, respectively.

These adjustments/reclassifications have been agreed to by management, and the financial statements have been adjusted accordingly.

We also noted various insignificant adjustments and reclassifications as follows:

- Land and Construction in Progress was understated by \$294,771 as construction relating to certain payables was not reported. Additionally, Land and Construction in Progress was overstated by \$21,120 as a parcel sold was not removed from the listing. Depreciable Capital Assets, along with accumulated depreciation were overstated by \$191,695 as equipment sold was not removed from the financial statements;
- There were various errors within Statement of Activities program revenue, general revenue and expense classifications resulting in classification errors ranging from \$2,164 to \$178,570;
- Governmental Activities Deferred Outflows of Resources for Pension was overstated by \$116,314;
- Governmental Activities Restricted for Capital Projects and Unrestricted Net Position were understated by \$630,000 and \$87,017, respectively. Net Investments in Capital Assets was overstated by \$717,017;
- The County overstated the Restricted Net Position for Health Programs and understated the Unrestricted Net Position by \$534,041 on the Statement of Net Position, as the portion of the STRS pension related to Hopewell was improperly charged against the General Fund.
- Assets Held for Resale were overstated ranging from \$1,330 to \$4,415 in the County's component units;
- The County improperly reported amounts Due from Other Governments ranging from \$9,841 to \$89,368. This also resulted in various revenues and deferred inflows being incorrectly reported by similar amounts, as well;
- Interest was excluded from reporting in various funds resulting in Investment Income and Equity in Pooled Cash and Investments being over or understated ranging between (\$6) to \$7,288;
- County Board of DD Accounts Payable were understated by \$56,541. In addition, Other Governmental Funds Retainage Payable was understated by \$40,653;
- Emergency Ambulance Levy Accounts Receivable was overstated by \$83,726;
- The County reimbursed various funds for premium pay from State and Local Fiscal Recovery Fund grant revenue from the major American Rescue Plan Act (ARPA) fund. AOS Bulletin 2021-004 documented that entities should reduce payments and revenue in the ARPA fund and report the activity in the fund originating the payment. While revenue and payments were reduced in the ARPA fund, the revenue reported in the funds originating the payment was not reclassified to Intergovernmental Revenue from various other classifications. This resulted in classification errors ranging from \$1,000 to \$120,050 throughout the financial statements;
- Reimbursements between funds were not always properly eliminated resulting in revenues and expenditures improperly reported ranging from \$25,000 to \$105,072;

COSHOCTON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

2 CFR § 200.515

DECEMBER 31, 2022

(Continued)

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

FINDING NUMBER 2022-001 (Continued)

Material Weakness (Continued)

- Property Taxes were reported at the net distribution level instead of the gross distribution level resulted in Property Taxes and various expenditure classifications being understated ranging from \$57,014 to \$95,655;
- Various revenue classification errors were documented in the General Fund, Motor Vehicle License and Gasoline Tax Fund, Emergency Ambulance Levy Fund, and various Other Government Funds ranging from \$10,805 to \$159,082;
- Interest and Fiscal Charges were presented as other expenditure classifications resulted in reporting errors of \$25,000 in the Emergency Ambulance Levy Fund and \$58,273 in Other Governmental Funds.

Failure to properly report financial activity in accordance with GAAP could result in material misstatements occurring and remaining undetected and fail to provide management with an accurate picture of the County's financial position and operations.

The County should take the necessary steps to ensure that all revenues, expenditures/ expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources and equity of the County are properly presented and disclosed in the County's financial statements. In addition, the County should ensure the financial statements reflect the original and final budgeted amounts based upon the official budget documents and amendments.

Officials' Response: See Corrective Action Plan

FINDING NUMBER 2022-002

Significant Deficiency

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

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

The Treasurer's Office reconciles their balance on their Daily Statements to the accounting system and to the County Auditor on a daily basis. The Treasurer's Office reconciles their Daily Statements to the bank balance on a monthly basis for each bank account. The primary checking book to bank balance reconciliation is reviewed and approved by the Board of Commissioners on a monthly basis.

Monthly bank to book reconciliations were prepared or reviewed for each month of 2022. However, the County's balance for their investments did not properly reconcile to the Daily Statement each month as there were errors in the reporting of interest earned. The County incorrectly under reported interest by \$15,574 during calendar year 2022 and prior.

COSHOCTON COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
DECEMBER 31, 2022
(Continued)**

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

FINDING NUMBER 2022-002 (Continued)

Significant Deficiency (Continued)

In addition, there were various discrepancies within the County's primary checking account system aggregating with the bank balance exceeding the book balance by \$6,853. We identified errors where interest was double reported for a non-investment account by \$6. After accounting for this, the bank balance exceeded the book balance by \$6,859. The County Treasurer's Office further identified errors of \$6,592 which occurred as real estate adjustments were accounted for twice. As a result, the remaining error was \$267. Errors occurred throughout the year as the reconciliations included or omitted necessary reconciling items.

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

The Treasurer's Office should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board of Commissioners should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Officials' Response: See Corrective Action Plan

FINDING NUMBER 2022-003

Noncompliance and Material Weakness

Ohio Rev. Code § 133.32(A) requires that an amount equal to the principal amount of or the discount purchase price of the securities, and if determined by the taxing authority or the fiscal officer any amount for capitalized interest, shall be credited to the fund or funds for the purposes of which the securities are issued and shall be deemed appropriated for and used for the purpose set forth in the legislation.

The County issued \$2,500,000 in bond anticipation notes (BAN) in 2022 for the purpose of the construction of a new emergency medical services building. This essentially replaced a BAN issued in 2021 for the same purpose in the same amount. However, the County reported the issuance of the 2022 BAN and the retirement of the 2021 BAN in Fund 350, the Capital Projects Fund instead of Fund 353, the EMS Capital Improvement Fund. As the 2022 BAN and 2021 BAN repayment were in the same amount, this did not have an effect on cash balances; however, the activity of Fund 350 is overstated while the activity of Fund 353 is understated. In addition, the County reported the related short term Notes Payable in Fund 350 instead of Fund 353. Audit adjustments are reflected in the financial statements correcting the misstatement.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The County should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

Officials' Response: See Corrective Action Plan

COSHOCTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
DECEMBER 31, 2022
(Continued)

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

FINDING NUMBER 2022-004

Noncompliance and Significant Deficiency

26 U.S.C. § 3102 states that Medicare taxes should be deducted from employees' compensation for all employees hired after March 31, 1986. Furthermore, employers are liable for reporting and remitting these taxes.

26 U.S.C. § 3402(a)(1) states in general, except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary.

26 U.S.C. § 3403 states that the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter, and shall not be liable to any person for the amount of any such payment.

The County withheld federal income and Medicare taxes for the fourth quarter of 2022; however, the total of \$496,208 was remitted to the Ohio Department of Taxation instead of the Internal Revenue Service due to a coding error with the electronic funds transfer. The County was notified by the Internal Revenue Service and made payments for the fourth quarter in July 2023.

The County should review and test changes and updates to accounts where funds are electronically submitted to ensure that payments are made to the correct vendor. The County should review internal controls over the remittance process to ensure amounts due are paid appropriately. This process should minimize the risk of similar errors occurring in the future.

Officials' Response: See Corrective Action Plan

COSHOCTON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
DECEMBER 31, 2022
(Continued)

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Activities Allowed or Unallowed, Allowable Costs / Cost Principles, Period of Performance

Finding Number:	2022-005
Assistance Listing Number and Title:	AL # 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds Grant
Federal Award Identification Number / Year:	SLFRP0763
Federal Agency:	U.S. Department of the Treasury
Compliance Requirements:	Activities Allowed or Unallowed Allowable Costs/Cost Principles Period of Performance
Pass-Through Entity:	Direct
Repeat Finding from Prior Audit?	No

Questioned Cost, Noncompliance and Material Weakness

2 C.F.R. § 1000.10 gives regulatory effect to the Department of the Treasurer for **2 C.F.R. § 200.403(a)**, which requires that costs be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles. **2 C.F.R. § 200.403(c)** documents that costs must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.

The County paid stipends to various employees under the “premium pay” provisions of the State and Local Fiscal Recovery Funds (SLFRF) grant, Assistance Listing (AL) #21.027. This included reimbursements of \$57,000 to the Coshocton County Job and Family Services (CCJFS). The CCJFS originally reported the premium pay stipends against various indirect cost pools which were allocated to various Federal and State grants. The reimbursement was not coded against the same cost pools which resulted in the County charging the SLFRF grant and various other Federal grants for the same cost.

This error was brought to the attention of the County and the CCJFS subsequently posted adjustments in 2023 to correct this error.

The County should more closely monitor the reporting of coding and reporting of expenditures against grant resources. Departments should work together to ensure that only one Federal grant is being charged when multiple grants could cover the costs. This will help improve internal controls to ensure that expenditures are accurately reported and are paid from one Federal revenue source, reducing the risk of questioned costs arising.

Officials’ Response: See Corrective Action Plan

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GRANT K. DAUGHERTY

Coshocton County Auditor

Courthouse Annex Building
349 Main Street
Coshocton, Ohio 43812
(740) 622-1243

Email: auditor@coshoctoncounty.net



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

Finding Number	Finding Summary	Status	Additional Information
2021-001	Material Weakness	Not Corrected	Repeated in 2022-001
2021-002	Noncompliance and Material Weakness	Not Corrected	Repeated in 2022-003
2021-003	Noncompliance and Material Weakness	Not Corrected	Refer to the Management Letter
2021-004	Finding for Recovery Repaid Under Audit	Corrected	N/A

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GRANT K. DAUGHERTY

Coshocton County Auditor

Courthouse Annex Building
349 Main Street
Coshocton, Ohio 43812
(740) 622-1243

Email: auditor@coshoctoncounty.net



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

Finding Number:	2022-001
Planned Corrective Action:	The AOS team has already contacted Julian & Grube Accounting about the issues in this finding. Julian & Grube Accounting is aware of the issue and will work on avoiding misstatements and ensure proper financial reporting. The Auditor's Office will continue to monitor expense and revenue entries to ensure that they are correct.
Anticipated Completion Date:	Already Implemented
Responsible Contact Person:	Grant Daugherty, County Auditor
Finding Number:	2022-002
Planned Corrective Action:	The Auditor's Office will take the steps necessary to ensure the accuracy of transactions. Variances will be investigated, documented and corrected.
Anticipated Completion Date:	Already Implemented
Responsible Contact Person:	Grant Daugherty, County Auditor
Finding Number:	2022-003
Planned Corrective Action:	The County will ensure that all transactions are reviewed to ensure posting to the correct funds.
Anticipated Completion Date:	Already Implemented
Responsible Contact Person:	Grant Daugherty, County Auditor
Finding Number:	2022-004
Planned Corrective Action:	The County is aware of the issue. We are working with ODT and the IRS to correct the issue. Moving forward, the County will ensure that amounts are paid appropriately.
Anticipated Completion Date:	Already Implemented
Responsible Contact Person:	Grant Daugherty, County Auditor
Finding Number:	2022-005
Planned Corrective Action:	The AOS team has already contacted CCJFS. They are aware of the issue and will take the necessary steps to avoid making this mistake in the future. The Auditor's office will closely monitor the reporting and coding of expenditures against grant resources.
Anticipated Completion Date:	Already Implemented
Responsible Contact Person:	Grant Daugherty, County Auditor

OHIO AUDITOR OF STATE KEITH FABER



COSHOCTON 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 11/9/2023

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

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