

# COSHOCTON COUNTY, OHIO

Basic Financial Statements

For the Year Ended  
December 31, 2023



**COSHOCTON COUNTY**

**BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

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Accountant's Compilation Report

To the Honorable Grant Daugherty, Auditor  
Coshocton County, Ohio

Management is responsible for the accompanying basic financial statements of Coshocton County, which comprise the statements listed in the table of contents as of December 31, 2023 and for the fiscal year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of net pension and other post-employment benefit assets and liabilities, and pension and other post-employment contributions listed in the table of contents be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

*Julian & Grube, Inc.*

Westerville, Ohio  
June 18, 2024



## COSHOCTON COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

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, 2023. 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 2023 are as follows:

- The total net position of the County increased \$17,385,412 from 2022's restated net position of \$37,845,791.
- General revenues accounted for \$25,030,031 or 37.16% of total governmental activities revenue. Program specific revenues accounted for \$42,327,623 or 62.84% of total governmental activities revenue.
- The County had \$49,972,242 in expenses related to governmental activities; \$42,327,623 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$25,030,031 were adequate to provide for these programs.
- The County has four major governmental funds. The general fund, the County's largest major governmental fund, had revenues and other financing sources of \$18,041,214 in 2023. The general fund had expenditures and other financing uses of \$16,031,679 in 2023. The general fund balance increased \$2,009,535 from the 2022 fund balance.
- The county board of developmental disabilities (the "county board of DD") fund, a County major fund, had revenues and other financing sources of \$5,622,186 and expenditures and other financing uses of \$5,502,021 in 2023. The county board of DD fund balance increased \$120,165 from 2022 to 2023.
- The county debt fund, a County major fund, had revenues and other financing sources of \$11,585,077 and expenditures and other financing uses of \$7,628,548 in 2023. The county debt fund balance increased \$3,956,529 from 2022 to 2023.
- The capital projects fund, a County major fund, had revenues and other financing sources of \$28,572,233 and expenditures of \$15,197,875 in 2023. The capital projects fund balance increased \$13,374,358 from 2022 to 2023.
- In the general fund, the actual revenues and other financing sources came in \$4,990,502 higher than they were originally budgeted, and actual expenditures and other financing uses were \$1,409,412 higher than the amount in the original budget. The County uses a conservative budgeting process.

#### 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 four major governmental funds: the general, county board of DD, county debt, and capital projects fund.

## COSHOCTON COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### **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 2023?" 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, the County Board of developmental disabilities (DD) fund, County debt fund, and capital projects fund. The analysis of the County's major governmental funds begins on page 11.

##### ***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.

## COSHOCTON COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

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 19-30 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 31-33 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 34-35 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 37-98 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 100-119 of this report.

**COSHOCTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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, 2023 and December 31, 2022. Net position at December 31, 2022 has been restated.

	<u>Governmental Activities</u>	
	Governmental Activities 2023	Restated Governmental Activities 2022
<u>Assets</u>		
Current and other assets	\$ 81,052,024	\$ 63,390,173
Capital assets, net	<u>53,334,153</u>	<u>30,195,393</u>
Total assets	<u>134,386,177</u>	<u>93,585,566</u>
<u>Deferred Outflows</u>		
Pension	14,478,116	5,442,333
OPEB	<u>2,166,824</u>	<u>155,332</u>
Total deferred outflows	<u>16,644,940</u>	<u>5,597,665</u>
<u>Liabilities</u>		
Long-term liabilities	64,874,680	13,303,130
Other liabilities	<u>21,047,588</u>	<u>22,087,852</u>
Total liabilities	<u>85,922,268</u>	<u>35,390,982</u>
<u>Deferred Inflows</u>		
Property taxes levied for the next fiscal year	9,000,460	9,186,429
Leases	4,999	7,141
Pension	581,814	12,901,519
OPEB	<u>290,373</u>	<u>3,851,369</u>
Total deferred inflows	<u>9,877,646</u>	<u>25,946,458</u>
<u>Net Position</u>		
Net investment in capital assets	24,671,218	25,071,689
Restricted	36,114,518	15,827,678
Unrestricted (deficit)	<u>(5,554,533)</u>	<u>(3,053,576)</u>
Total net position	<u>\$ 55,231,203</u>	<u>\$ 37,845,791</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, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

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, 2023, the County's assets and deferred outflows exceeded liabilities and deferred inflows by \$55,231,203. The County's finances remained stable during 2023.

Capital assets reported on the government-wide statements represent the largest portion of the County's net position. At year-end, capital assets represented 39.69% of total assets. Capital assets include land, easements and right of ways, construction in progress, 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, 2023, were \$53,334,153. 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.

**COSHOCTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

The net pension liability for governmental activities increased \$23,688,070 or 216.31%, deferred outflow of resources related to pension increased \$9,035,783 or 166.03% and deferred inflows of resources related to pension decreased \$12,319,705 or 95.47%. These changes were the result of changes at the pension system level for Ohio Public Employees Retirement System (OPERS). Primarily, net investment income on investments at the pension systems were negative for the 2022 measurement date that are used for the 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous year's large positive investment returns.

A portion of the County's net position, \$36,114,518 or 65.39% 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 (\$5,554,533).

The following tables show the changes in net position for 2023 and 2022.

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 7,930,428	\$ 7,324,972
Operating grants and contributions	33,863,994	22,144,114
Capital grants and contributions	533,201	1,146,520
General revenues:		
Property taxes	9,293,925	9,296,243
Sales tax	9,845,945	9,184,977
Lodging excise taxes	107,771	111,034
Payment in lieu of taxes	3,691	2,844
Unrestricted grants	1,803,266	1,846,485
Investment earnings & change in investments	3,153,384	(330,997)
Miscellaneous	822,049	770,915
Total revenues	<u>67,357,654</u>	<u>51,497,107</u>
<b><u>Expenses</u></b>		
General government	8,371,003	6,519,886
Public safety	9,152,807	5,611,568
Public works	7,965,579	8,504,713
Health	10,084,947	8,634,087
Human services	10,650,511	9,626,144
Conservation and recreation	3,900	3,000
Economic development and assistance	10,300	-
Intergovernmental	298,823	313,655
Other	2,649,589	2,833,566
Interest and fiscal charges	784,783	85,105
Total expenses	<u>49,972,242</u>	<u>42,131,724</u>
Change in net position	17,385,412	9,365,383
Net position at beginning of year (restated)	<u>37,845,791</u>	<u>28,480,408</u>
Net position at end of year	<u>\$ 55,231,203</u>	<u>\$ 37,845,791</u>

**Governmental Activities**

Governmental activities net position increased \$17,385,412 or 45.94% during 2023.

Governmental activities capital grants and contributions revenue decreased 53.49% from \$1,146,520 in 2022 to \$533,201 in 2023.

**COSHOCTON COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT’S COMPILATION REPORT)**

The State and federal government contributed to the County revenues of \$33,863,994 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, \$7,493,155 or 22.13% subsidized human services. Operating grants and contributions increased 52.93% in 2023 due to an increase in various grants, including those related to small cities and Ohio Department of Rehabilitation and Corrections grants.

General revenues totaled \$25,030,031 and amounted to 37.16% of total revenues. These revenues primarily consist of property and sales tax revenue of \$19,139,870 or 28.42% of total revenues in 2023. Property tax revenue decreased \$2,318 from 2022 to 2023. The County sales tax revenue increased \$660,968 from 2022 to 2023.

Expenses of the governmental activities increased \$7,840,518 or 18.61%. This increase is primarily the result of increase in pension expense (which has been recorded above primarily in general government and security of persons and property expense). The increase in pension was the result of an increase in expenses incurred at the pension system level for Ohio Public Employees Retirement System (OPERS) due to a decrease in net investment income on investments compared to previous years.

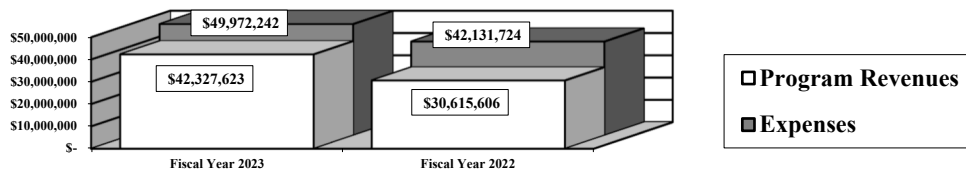
General government expenses including legislative and executive and judicial programs, totaled \$8,371,003 or 16.75% of total governmental expenses. General government expenses were covered by \$2,513,984 of direct charges to users in 2023.

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

Human services expenses support the operations of public assistance and the children services board, and accounts for \$10,650,511 of expenses, or 21.31% of total governmental expenses of the County. These expenses were funded by \$633,252 in charges to users of services and \$7,493,155 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, 2023  
(SEE ACCOUNTANT’S COMPILATION REPORT)

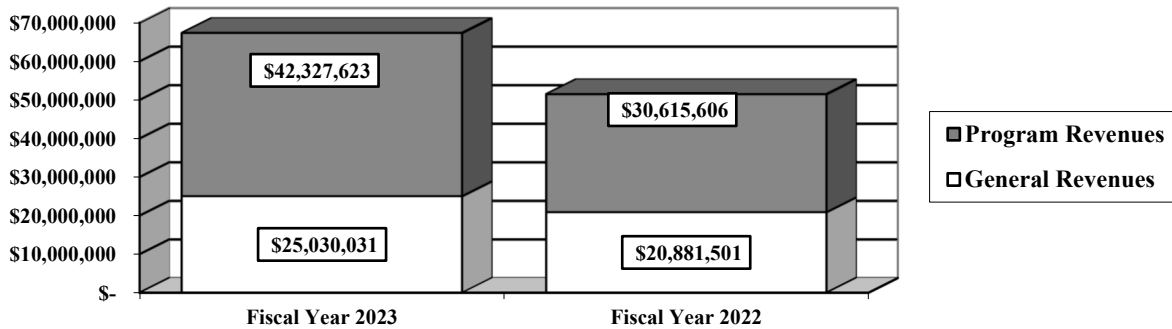
The following table shows, for governmental activities, the total cost of services and the net cost of services for 2022 and 2023. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
<b>Expenses:</b>				
General government	\$ 8,371,003	\$ 4,722,555	\$ 6,519,886	\$ 2,736,411
Public safety	9,152,807	(6,045,977)	5,611,568	2,368,467
Public works	7,965,579	(1,853,071)	8,504,713	(76,610)
Health	10,084,947	6,296,316	8,634,087	5,145,143
Human services	10,650,511	2,524,104	9,626,144	1,238,969
Conservation and recreation	3,900	3,900	3,000	3,000
Economic development and assistance	10,300	-	-	-
Intergovernmental	298,823	298,823	313,655	313,655
Other	2,649,589	913,186	2,833,566	(298,022)
Interest and fiscal charges	<u>784,783</u>	<u>784,783</u>	<u>85,105</u>	<u>85,105</u>
<b>Total expenses</b>	<b><u>\$ 49,972,242</u></b>	<b><u>\$ 7,644,619</u></b>	<b><u>\$ 42,131,724</u></b>	<b><u>\$ 11,516,118</u></b>

The dependence upon general revenues for governmental activities is apparent, with 15.30% and 27.33% of expenses supported through taxes and other general revenues during 2023 and 2022, respectively.

The graph below shows the total general revenues and program revenues of the County for 2022 and 2023.

**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, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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 \$43,870,880, which is more than last year's balance of \$21,331,173. The County's governmental funds are presented on the balance sheet on pages 22-23. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2023 for all major and nonmajor governmental funds.

	Fund Balance <u>December 31, 2023</u>	(Deficit) Fund Balance <u>December 31, 2022</u>	Increase/ (Decrease)
<b>Major Funds:</b>			
General	\$ 5,619,989	\$ 3,610,454	\$ 2,009,535
County board of DD	6,018,605	5,898,440	120,165
County debt	3,953,100	(3,429)	3,956,529
Capital projects	15,536,335	2,161,977	13,374,358
Other nonmajor governmental funds	<u>12,742,851</u>	<u>9,663,731</u>	<u>3,079,120</u>
Total	<u>\$ 43,870,880</u>	<u>\$ 21,331,173</u>	<u>\$ 22,539,707</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 \$5,619,989, a 55.66% increase from 2022. The increase of the general fund balance in 2023 was due to the County's increase in investment income revenues. During the current year, the County invested more and earned more on those investments. The general fund also reduced the amount transferred out to other funds during the current year.

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

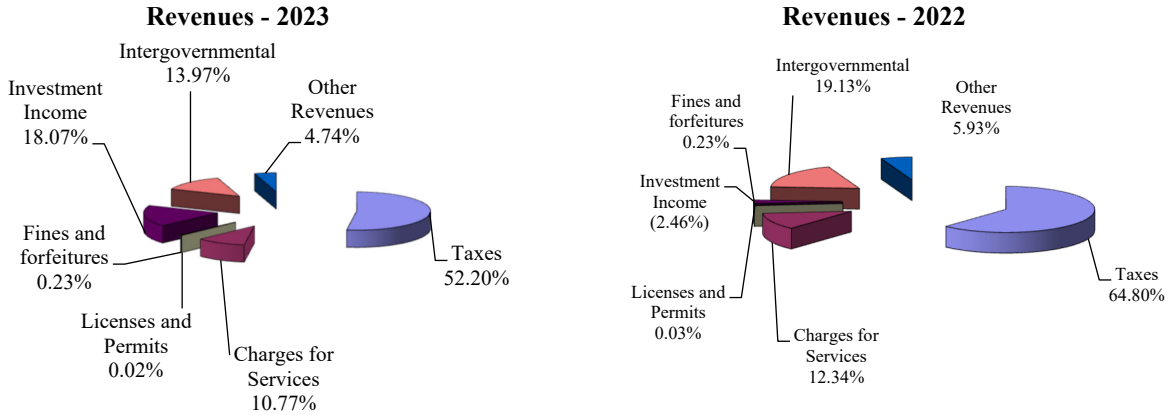
	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b>Revenues</b>				
Taxes	\$ 8,960,259	\$ 9,216,402	\$ (256,143)	(2.78) %
Charges for services	1,847,601	1,755,738	91,863	5.23 %
Licenses and permits	3,315	3,925	(610)	(15.54) %
Fines and forfeitures	39,413	32,905	6,508	19.78 %
Intergovernmental	2,396,812	2,721,188	(324,376)	(11.92) %
Investment income & change in fair value	3,101,179	(349,398)	3,450,577	987.58 %
Other	<u>814,352</u>	<u>843,373</u>	<u>(29,021)</u>	<u>(3.44) %</u>
Total	<u>\$ 17,162,931</u>	<u>\$ 14,224,133</u>	<u>\$ 2,938,798</u>	<u>20.66 %</u>

Tax revenue represents 52.20% of all general fund revenue. The increase in investment income & change in fair value of investments is due to the increase in County's investments. During the current year, the County invested an additional \$30 million in STAR Ohio. This investment increase as well as the increase earned on all investments caused a significant increase in investment income and the County's general fund revenues. 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 gain realized by the County. The decrease in intergovernmental revenues is primarily due to a decrease in state grant revenue, local government taxes and various reimbursements. All other revenue remained comparable to 2022.

**COSHOCTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

The graphs below show the breakdown of revenues, by source, for 2023 and 2022.



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

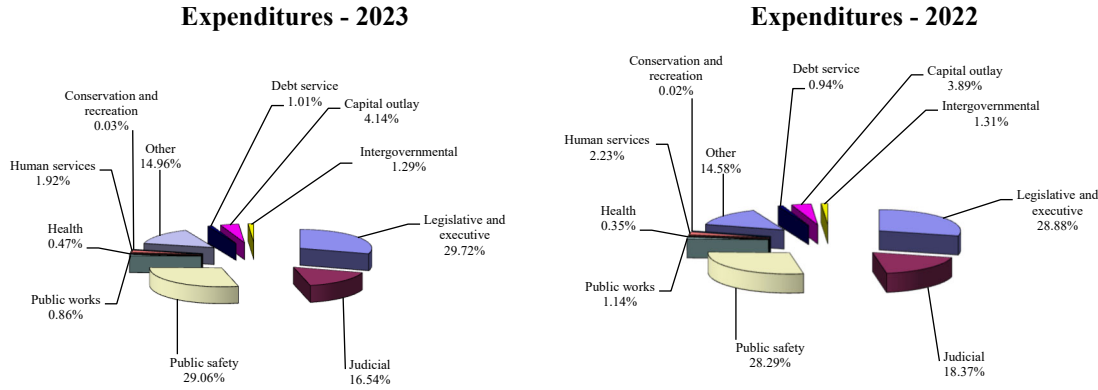
	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>				
General government				
Legislative and executive	\$ 4,605,877	\$ 4,259,592	\$ 346,285	8.13 %
Judicial	2,562,482	2,709,600	(147,118)	(5.43) %
Public safety	4,503,223	4,171,949	331,274	7.94 %
Public works	133,040	167,862	(34,822)	(20.74) %
Health	73,605	52,261	21,344	40.84 %
Human services	297,918	328,471	(30,553)	(9.30) %
Conservation and recreation	3,900	3,000	900	30.00 %
Other	2,318,308	2,149,606	168,702	7.85 %
Capital outlay	641,244	573,428	67,816	11.83 %
Intergovernmental	200,300	192,800	7,500	3.89 %
Debt service	156,714	138,775	17,939	12.93 %
<b>Total</b>	<u>\$ 15,496,611</u>	<u>\$ 14,747,344</u>	<u>\$ 749,267</u>	5.08 %

Expenditures related to legislative and executive expenditures increased due to an increase in costs related to commissioners, auditor, treasurer and prosecuting attorney expenditures. Judicial costs decreased due to a decrease in expenditures related to probate court, clerk of courts and various grants. Public safety expenditures increased due to an increase in costs related to sheriff and jail operations. During 2023, 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, 2023  
(SEE ACCOUNTANT’S COMPILATION REPORT)**

The graphs below show the breakdown of expenditures, by function, for 2023 and 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 \$5,622,186 and expenditures and other financing uses of \$5,502,021 in 2023. The county board of DD fund balance increased \$120,165 from 2022 to 2023.

***County Debt Fund***

The county debt fund, a County major fund, had revenues and other financing sources of \$11,585,077 and expenditures and other financing uses of \$7,628,548 in 2023. The county debt fund balance increased \$3,956,529 from 2022 to 2023.

***Capital Projects Fund***

The capital projects fund, a County major fund, had revenues and other financing sources of \$28,572,233 and expenditures of \$15,197,875 in 2023. The capital projects fund balance increased \$13,374,358 from 2022 to 2023.

***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. Actual revenues and other financing sources were increased \$4,990,502 from the original budgeted revenues and other financing sources. Actual revenues and other financing sources of \$18,999,088 were \$641,968 more than final budgeted revenues and other financing sources. Actual expenditures and other financing uses were increased \$1,409,412 from the original budgeted expenditures and other financing uses. Actual expenditures and other financing uses of \$18,324,270 were \$1,008,814 less than final budgeted expenditures and other financing uses.

**COSHOCTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of 2023, the County had \$53,334,153 (net of accumulated depreciation/amortization) invested in land, easements and right of ways, construction in progress, buildings and improvements, machinery and equipment, right to use assets, vehicles, infrastructure and software.

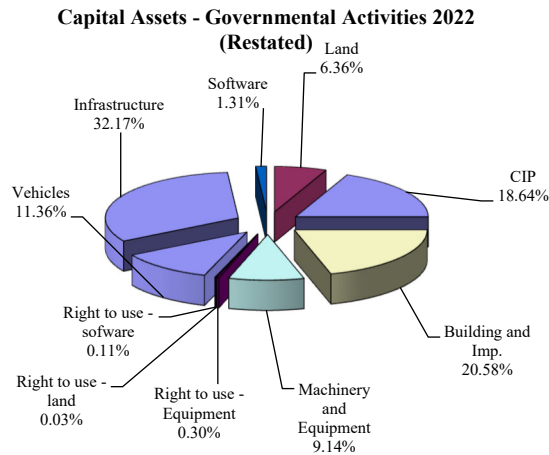
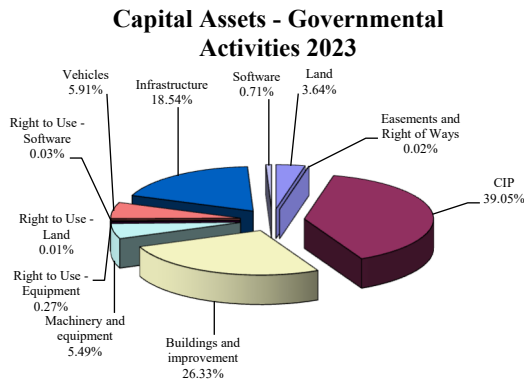
The following table shows 2023 balances compared to the 2022 balances. The capital assets at December 31, 2022 have been restated as described in Note 3.

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

	Governmental Activities <u>2023</u>	Restated Governmental Activities <u>2022</u>
Land	\$ 1,936,064	\$ 1,920,884
Easements and right of ways	10,000	-
Construction in progress	20,826,882	5,624,788
Building and improvements	14,044,746	6,214,540
Machinery and equipment	2,927,104	2,761,257
Right to use - equipment	144,718	90,191
Right to uses - land	7,982	9,068
Right to uses - software	17,654	34,646
Vehicles	3,152,389	3,430,119
Infrastructure	9,887,999	9,715,001
Software	378,615	394,899
<b>Total</b>	<b>\$ 53,334,153</b>	<b>\$ 30,195,393</b>

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

The following graphs show the breakdown of governmental capital assets by category for 2023 and 2022.



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 18.54% of the County's total governmental capital assets.

**COSHOCTON COUNTY, OHIO**

MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT’S COMPILATION REPORT)

**Debt Administration**

At December 31, 2023, governmental activities had general obligation bonds of \$26,075,000, notes payable of \$299,000, leases payable of \$157,243 and note payable – financed purchases outstanding of \$426,218 outstanding. Of this total, \$801,760 is due within one year and \$26,155,701 is due in greater than one year. The following table summarizes the debt obligations outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>
Long-Term Obligations		
General obligation bonds	\$ 26,075,000	\$ -
Notes payable	299,000	344,584
Lease payable	157,243	106,183
Note payable - financed purchases	<u>426,218</u>	<u>444,250</u>
Total	<u>\$ 26,957,461</u>	<u>\$ 895,017</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 2023 is 36,869 up a negligible amount from the 2022 Census of 36,615. The U.S. Bureau of Labor Statistics reported Coshocton County’s unadjusted unemployment rate at 3.8% at December 2023. With their report of Ohio’s unadjusted 2023 annual unemployment rate at 4.5%, Coshocton County ended the year at 0.7% lower than Ohio’s rate.

The County’s adjusted general fund 2022 carryover cash balance was \$3.68 million. This adjusted is more comparable with the balance going into the year, with a 11.6% decrease. This is partly due to flat growth of the County’s sale tax. Coshocton County’s elected and appointed officials, working together with the Board of Commissioners and the Auditor, certified conservative budgets for 2023.

At the end of 2023, county sales tax collections were up 0.78%, or a little more than \$56,800 over 2022 collections. In the first quarter of 2024, collections are showing slow growth, with only 0.47% increase in collection over 2023 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. This not only includes cooperation, but \$60,000 in financial support for 2023. The CPA had following new and major economic development projects during calendar year 2023:

- Facilitated MFM Building Products’ Enterprise Zone Tax Abatement, bringing in an \$8 million expansion, with a new operating line, a 46,000 square foot warehouse, and 21 new full time jobs. The proposed abatement is 100% for 12 years on the improved value of the property and a grant from Jobs Ohio.
- Working with Conesville Industrial LLC to develop the former coal electric generating plant/property into an industrial park

**COSHOCTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Primary Government		Component Units	
	Governmental Activities	Regional Airport Authority	Coshocton County Land Reutilization Corporation	Coshocton County Transportation Improvement District
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 61,373,205	\$ 478,373	\$ 196,429	\$ 500
Cash with fiscal agent	2,459,938	-	-	-
Cash in segregated accounts	60,229	-	-	-
Receivables:				
Sales taxes	2,517,956	-	-	-
Real and other taxes	9,170,661	-	-	-
Accounts	321,987	64,364	-	-
Accrued interest	141,474	607	-	-
Due from other governments	3,990,472	-	-	-
Leases	4,640	170,618	-	-
Prepayments	229,087	-	-	-
Materials and supplies inventory	424,908	-	-	-
Assets held for resale	-	59,759	214,320	-
Net OPEB asset	47,901	-	-	-
Net pension asset	309,566	-	-	-
Capital assets:				
Land and construction in progress	22,772,946	664,120	-	-
Depreciable/amortizable capital assets, net	30,561,207	2,604,777	-	-
Total capital assets, net	53,334,153	3,268,897	-	-
<b>Total assets</b>	<b>134,386,177</b>	<b>4,042,618</b>	<b>410,749</b>	<b>500</b>
<b>Deferred outflows of resources:</b>				
Pension	14,478,116	-	-	-
OPEB	2,166,824	-	-	-
<b>Total deferred outflows of resources</b>	<b>16,644,940</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities:</b>				
Accounts payable	582,253	346,979	-	-
Contracts payable	4,977,593	-	-	-
Retainage payable	1,046,315	-	-	-
Accrued wages and benefits payable	793,153	-	-	-
Due to other governments	504,269	-	-	-
Accrued interest payable	109,673	-	-	-
Claims payable	109,958	-	-	-
Note payable	10,600,000	-	-	-
Real estate tax payable	-	12,638	-	-
Payroll withholdings payable	161,352	-	-	-
Unearned revenue	2,163,022	62,957	-	-
Long-term liabilities:				
Due within one year	1,992,656	-	-	-
Due in more than one year:				
Net pension liability	34,638,861	-	-	-
Net OPEB liability	712,585	-	-	-
Other amounts due in more than one year	27,530,578	-	-	-
<b>Total liabilities</b>	<b>85,922,268</b>	<b>422,574</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	9,000,460	-	-	-
Leases	4,999	183,364	-	-
Pension	581,814	-	-	-
OPEB	290,373	-	-	-
<b>Total deferred inflows of resources</b>	<b>9,877,646</b>	<b>183,364</b>	<b>-</b>	<b>-</b>
<b>Net position:</b>				
Net investment in capital assets	24,671,218	3,268,897	-	-
Restricted for:				
Capital projects	14,847,566	-	-	-
Debt service	8,981,494	-	-	-
Public works projects	4,834,235	-	-	-
Human services programs	826,640	-	-	-
Health programs	4,438,473	-	-	-
General government operations	631,430	-	-	-
Public safety programs	1,133,066	-	-	-
Pension & OPEB	356,987	-	-	-
Other purposes	64,627	-	-	-
Unrestricted (deficit)	(5,554,533)	167,783	410,749	500
<b>Total net position</b>	<b>\$ 55,231,203</b>	<b>\$ 3,436,680</b>	<b>\$ 410,749</b>	<b>\$ 500</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<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>
<b>Governmental activities:</b>				
Current:				
General government:				
Legislative and executive	\$ 5,635,528	\$ 2,513,984	\$ 70,526	\$ -
Judicial	2,735,475	237,436	826,502	-
Public safety	9,152,807	2,587,149	12,611,635	-
Public works	7,965,579	42,610	9,242,839	533,201
Health	10,084,947	1,915,997	1,872,634	-
Human services	10,650,511	633,252	7,493,155	-
Conservation and recreation	3,900	-	-	-
Economic development and assistance	10,300	-	10,300	-
Intergovernmental	298,823	-	-	-
Other	2,649,589	-	1,736,403	-
Interest and fiscal charges	784,783	-	-	-
Total primary government	<u>\$ 49,972,242</u>	<u>\$ 7,930,428</u>	<u>\$ 33,863,994</u>	<u>\$ 533,201</u>
<b>Component units:</b>				
Regional Airport Authority	\$ 614,409	\$ 278,874	\$ 581,485	\$ 58,573
Coshocton County Land Reutilization Corporation	207,693	-	51,660	-
Coshocton County Transportation Improvement District	494,315	-	-	494,815
Total component units	<u>\$ 1,316,417</u>	<u>\$ 278,874</u>	<u>\$ 633,145</u>	<u>\$ 553,388</u>
Totals	<u>\$ 51,288,659</u>	<u>\$ 8,209,302</u>	<u>\$ 34,497,139</u>	<u>\$ 1,086,589</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 (restated)**

**Net position at end of year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Primary Government</b>		<b>Component Units</b>		
<b>Governmental Activities</b>	<b>Regional Airport Authority</b>	<b>Coshocton County</b>	<b>Land</b>	<b>Coshocton County</b>
		<b>Reutilization Corporation</b>	<b>Improvement District</b>	
\$ (3,051,018)	\$ -	\$ -	\$ -	\$ -
(1,671,537)	-	-	-	-
6,045,977	-	-	-	-
1,853,071	-	-	-	-
(6,296,316)	-	-	-	-
(2,524,104)	-	-	-	-
(3,900)	-	-	-	-
-	-	-	-	-
(298,823)	-	-	-	-
(913,186)	-	-	-	-
(784,783)	-	-	-	-
<u>(7,644,619)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	304,523	-	-	-
-	-	(156,033)	-	-
-	-	-	-	500
<u>-</u>	<u>304,523</u>	<u>(156,033)</u>	<u>-</u>	<u>500</u>
<u>(7,644,619)</u>	<u>304,523</u>	<u>(156,033)</u>	<u>-</u>	<u>500</u>
1,913,441	-	-	-	-
6,102,186	-	-	-	-
1,182,231	-	-	-	-
96,067	-	-	-	-
6,996,917	-	-	-	-
2,849,028	-	-	-	-
107,771	-	-	-	-
3,691	-	-	-	-
1,803,266	-	-	-	-
2,768,514	4,407	95	-	-
384,870	-	-	-	-
-	-	239,910	-	-
822,049	1,181	13,483	-	-
<u>25,030,031</u>	<u>5,588</u>	<u>253,488</u>	<u>-</u>	<u>-</u>
17,385,412	310,111	97,455	500	-
37,845,791	3,126,569	313,294	-	-
<u>\$ 55,231,203</u>	<u>\$ 3,436,680</u>	<u>\$ 410,749</u>	<u>\$ 500</u>	<u>-</u>

**COSHOCTON COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>General</u>	<u>County Board of DD</u>	<u>County Debt</u>	<u>Capital Projects</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 5,526,835	\$ 4,378,233	\$ 3,953,100	\$ 28,952,397
Cash with fiscal agent	-	1,746,090	-	-
Cash in segregated accounts	39,585	-	-	-
Receivables:				
Sales taxes	1,498,560	-	-	-
Real and other taxes	1,881,040	4,000,537	80,355	-
Accounts	24,696	11,049	-	-
Accrued interest	141,474	-	-	-
Due from other governments	663,654	132,968	-	-
Leases	4,640	-	-	-
Interfund loans	7,000	-	-	-
Due from other funds	41,669	-	-	-
Prepayments	229,087	-	-	-
Materials and supplies inventory	62,220	5,348	-	-
Total assets	<u>\$ 10,120,460</u>	<u>\$ 10,274,225</u>	<u>\$ 4,033,455</u>	<u>\$ 28,952,397</u>
<b>Liabilities:</b>				
Accounts payable	\$ 80,235	\$ 20,088	\$ -	\$ -
Contracts payable	-	-	-	1,789,776
Retainage payable	-	-	-	1,026,286
Accrued wages and benefits payable	313,348	72,022	-	-
Due to other governments	203,904	37,916	-	-
Interfund loans payable	-	-	-	-
Due to other funds	6,201	120	-	-
Unearned revenue	-	-	-	-
Payroll withholdings payable	161,352	-	-	-
Note payable	-	-	-	10,600,000
Total liabilities	<u>765,040</u>	<u>130,146</u>	<u>-</u>	<u>13,416,062</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	1,850,000	3,935,865	80,355	-
Delinquent property tax revenue not available	30,026	64,672	-	-
Accrued interest not available	92,404	-	-	-
Leases	4,999	-	-	-
Sales tax revenue not available	1,245,736	-	-	-
Miscellaneous revenue not available	24,602	16,388	-	-
Other nonexchange transactions not available	487,664	108,549	-	-
Total deferred inflows of resources	<u>3,735,431</u>	<u>4,125,474</u>	<u>80,355</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>4,500,471</u>	<u>4,255,620</u>	<u>80,355</u>	<u>13,416,062</u>
<b>Fund balances:</b>				
Nonspendable	558,339	5,348	-	-
Restricted	-	6,013,257	3,953,100	15,536,335
Committed	-	-	-	-
Assigned	4,266,372	-	-	-
Unassigned (deficit)	795,278	-	-	-
Total fund balances	<u>5,619,989</u>	<u>6,018,605</u>	<u>3,953,100</u>	<u>15,536,335</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,120,460</u>	<u>\$ 10,274,225</u>	<u>\$ 4,033,455</u>	<u>\$ 28,952,397</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 18,144,548	\$ 60,955,113
-	1,746,090
20,644	60,229
1,019,396	2,517,956
3,208,729	9,170,661
286,242	321,987
-	141,474
3,193,850	3,990,472
-	4,640
-	7,000
107,108	148,777
-	229,087
357,340	424,908
<u>\$ 26,337,857</u>	<u>\$ 79,718,394</u>
\$ 481,930	\$ 582,253
3,187,817	4,977,593
20,029	1,046,315
406,623	791,993
262,449	504,269
7,000	7,000
142,456	148,777
2,163,022	2,163,022
-	161,352
-	10,600,000
<u>6,671,326</u>	<u>20,982,574</u>
3,134,240	9,000,460
74,489	169,187
-	92,404
-	4,999
514,147	1,759,883
182,345	223,335
<u>3,018,459</u>	<u>3,614,672</u>
<u>6,923,680</u>	<u>14,864,940</u>
<u>13,595,006</u>	<u>35,847,514</u>
357,340	921,027
12,908,522	38,411,214
1,787,914	1,787,914
-	4,266,372
<u>(2,310,925)</u>	<u>(1,515,647)</u>
<u>12,742,851</u>	<u>43,870,880</u>
<u>\$ 26,337,857</u>	<u>\$ 79,718,394</u>

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**COSHOCTON COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

<b>Total governmental fund balances</b>		\$ 43,870,880
<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.		53,334,153
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 169,187	
Sales taxes receivable	1,759,883	
Accounts receivable	100,021	
Intergovernmental revenues receivable	3,566,215	
Charges for services receivable	171,771	
Accrued interest receivable	<u>92,404</u>	
Total		5,859,481
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.		979,036
On the statement of net position, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is accrued when due.		(109,673)
Unamortized premiums on bond issuances are not recognized in the governmental funds.		(1,270,970)
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	309,086	
Deferred outflows of resources	14,439,174	
Deferred inflows of resources	(551,696)	
Net pension liability	<u>(34,585,973)</u>	
Total		(20,389,409)
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	47,901	
Deferred outflows of resources	2,163,371	
Deferred inflows of resources	(289,823)	
Net OPEB liability	<u>(711,480)</u>	
Total		1,209,969
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(26,075,000)	
Compensated absences	(1,294,803)	
Lease payable	(157,243)	
Note payable - financed purchase	(426,218)	
Notes payable	<u>(299,000)</u>	
Total		<u>(28,252,264)</u>
<b>Net position of governmental activities</b>		<u>\$ 55,231,203</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, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>General</u>	<u>County Board of DD</u>	<u>County Debt</u>	<u>Capital Projects</u>
<b>Revenues:</b>				
Property taxes	\$ 1,933,741	\$ 3,622,671	\$ -	\$ -
Sales taxes	7,026,518	-	-	-
Payment in lieu of taxes	532	1,533	-	-
Charges for services	1,847,601	207,549	-	-
Licenses and permits	3,315	-	-	-
Fines and forfeitures	39,413	-	-	-
Intergovernmental	2,396,812	1,613,824	11,411,416	-
Investment income	2,716,309	49,861	-	7,289
Rental income	71,678	-	-	-
Contributions and donations	76,701	1,688	-	-
Change in fair value of investments	384,870	-	-	-
Lodging taxes	-	-	-	-
Other	665,441	92,804	-	42,625
<b>Total revenues</b>	<u>17,162,931</u>	<u>5,589,930</u>	<u>11,411,416</u>	<u>49,914</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Legislative and executive	4,605,877	-	-	-
Judicial	2,562,482	-	-	-
Public safety	4,503,223	-	-	-
Public works	133,040	-	-	-
Health	73,605	5,414,839	-	-
Human services	297,918	-	-	-
Conservation and recreation	3,900	-	-	-
Other	2,318,308	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	641,244	32,256	-	14,769,988
Intergovernmental	200,300	-	-	-
<b>Debt service:</b>				
Principal retirement	124,328	3,119	-	-
Interest and fiscal charges	32,386	460	128,548	1,226
Bond issuance costs	-	-	-	381,945
Note issuance costs	-	-	-	44,716
<b>Total expenditures</b>	<u>15,496,611</u>	<u>5,450,674</u>	<u>128,548</u>	<u>15,197,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,666,320</u>	<u>139,256</u>	<u>11,282,868</u>	<u>(15,147,961)</u>
<b>Other financing sources (uses):</b>				
Bond issuance	798,811	-	173,661	19,656,912
Sale of capital assets	32,781	-	-	-
Lease transaction	22,049	32,256	-	-
Note proceeds	-	-	-	-
Transfers in	-	-	-	7,500,000
Transfers (out)	(535,068)	(51,347)	(7,500,000)	-
Premium on bond issuance	-	-	-	1,309,227
Premium on note issuance	-	-	-	56,180
Insurance proceeds	24,642	-	-	-
<b>Total other financing sources (uses)</b>	<u>343,215</u>	<u>(19,091)</u>	<u>(7,326,339)</u>	<u>28,522,319</u>
Net change in fund balances	2,009,535	120,165	3,956,529	13,374,358
<b>Fund balances (deficit) at beginning of year</b>	3,610,454	5,898,440	(3,429)	2,161,977
<b>Fund balances at end of year</b>	<u>\$ 5,619,989</u>	<u>\$ 6,018,605</u>	<u>\$ 3,953,100</u>	<u>\$ 15,536,335</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 3,849,588	\$ 9,406,000
2,761,311	9,787,829
1,626	3,691
5,412,828	7,467,978
166,853	170,168
202,858	242,271
19,762,071	35,184,123
4,325	2,777,784
2,400	74,078
38,455	116,844
-	384,870
107,771	107,771
836,981	1,637,851
<u>33,147,067</u>	<u>67,361,258</u>

896,873	5,502,750
130,683	2,693,165
4,189,195	8,692,418
10,817,521	10,950,561
5,077,943	10,566,387
10,146,825	10,444,743
-	3,900
726,027	3,044,335
10,300	10,300
3,937,792	19,381,280
98,523	298,823
217,811	345,258
130,156	292,776
-	381,945
-	44,716
<u>36,379,649</u>	<u>72,653,357</u>

<u>(3,232,582)</u>	<u>(5,292,099)</u>
--------------------	--------------------

5,445,616	26,075,000
1,274	34,055
39,317	93,622
239,080	239,080
586,415	8,086,415
-	(8,086,415)
-	1,309,227
-	56,180
-	24,642
<u>6,311,702</u>	<u>27,831,806</u>

3,079,120	22,539,707
9,663,731	21,331,173
<u>\$ 12,742,851</u>	<u>\$ 43,870,880</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, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

<b>Net change in fund balances - total governmental funds</b>	\$	22,539,707
<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/amortization expense in the current period accordingly.		
Capital asset additions	\$	25,348,510
Current year depreciation/amortization		<u>(2,151,675)</u>
Total		23,196,835
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(58,075)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(112,075)	
Sales taxes	58,116	
Intergovernmental	(563,725)	
Charges for services	171,771	
Investment income	42,487	
Other	<u>(158,875)</u>	
Total		(562,301)
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.		345,258
Proceeds of debt 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.		(26,407,702)
Premiums related to the issuance of bonds are amortized over the life of the issuance in the statement of activities		(1,309,227)
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	(103,603)	
Amortization of bond premiums	<u>38,257</u>	
Total		(65,346)
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	2,813,891	
OPEB	<u>21,949</u>	
Total		2,835,840
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	(5,338,312)	
OPEB	<u>1,146,338</u>	
Total		(4,191,974)
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.		147,161
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>915,236</u>
<b>Change in net position of governmental activities</b>	\$	<u>17,385,412</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, 2023  
 (SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes	\$ 1,888,769	\$ 1,926,585	\$ 1,926,970	\$ 385
Sales taxes	7,000,000	7,000,000	7,378,021	378,021
Payment in lieu of taxes	600	600	532	(68)
Charges for services	1,369,690	1,505,227	1,561,746	56,519
Licenses and permits	3,500	3,500	3,315	(185)
Fines and forfeitures	34,650	39,690	39,061	(629)
Intergovernmental	2,168,182	2,350,383	2,426,576	76,193
Investment income	225,110	2,500,210	2,559,825	59,615
Rental income	67,950	68,500	69,846	1,346
Contributions and donations	-	37,916	76,701	38,785
Other	340,500	336,073	338,849	2,776
<b>Total revenues</b>	<u>13,098,951</u>	<u>15,768,684</u>	<u>16,381,442</u>	<u>612,758</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive	4,415,815	4,768,470	4,387,554	380,916
Judicial	2,645,576	2,789,170	2,620,369	168,801
Public safety	4,787,614	4,788,268	4,695,663	92,605
Public works	180,564	170,116	136,761	33,355
Health	118,123	89,095	88,626	469
Human services	415,912	407,442	308,523	98,919
Conservation and recreation	3,000	3,900	3,900	-
Capital outlay	791,342	848,648	746,278	102,370
Intergovernmental	192,800	200,300	200,300	-
Other	2,148,863	2,206,266	2,172,443	33,823
Debt service:				
Principal retirement	737,524	737,524	737,524	-
Interest and fiscal charges	25,755	25,755	25,755	-
<b>Total expenditures</b>	<u>16,462,888</u>	<u>17,034,954</u>	<u>16,123,696</u>	<u>911,258</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,363,937)</u>	<u>(1,266,270)</u>	<u>257,746</u>	<u>1,524,016</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	25,000	33,750	32,781	(969)
Advances in	7,000	7,000	7,000	-
Advances (out)	(7,000)	(7,000)	(7,000)	-
Transfers in	-	4,364	4,364	-
Transfers (out)	(442,889)	(644,624)	(547,068)	97,556
Lease transaction	22,049	22,049	22,049	-
Bond issuance	752,686	798,885	798,811	(74)
Insurance proceeds	15,000	-	24,642	24,642
Other financing sources	87,900	1,722,388	1,727,999	5,611
Other financing uses	(2,081)	(1,646,506)	(1,646,506)	-
<b>Total other financing sources (uses)</b>	<u>457,665</u>	<u>290,306</u>	<u>417,072</u>	<u>126,766</u>
Net change in fund balances	(2,906,272)	(975,964)	674,818	1,650,782
<b>Fund balances at beginning of year</b>	2,797,635	2,797,635	2,797,635	-
<b>Prior year encumbrances appropriated</b>	879,300	879,300	879,300	-
<b>Fund balance at end of year</b>	<u>\$ 770,663</u>	<u>\$ 2,700,971</u>	<u>\$ 4,351,753</u>	<u>\$ 1,650,782</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, 2023  
 (SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes	\$ 3,508,023	\$ 3,508,023	\$ 3,610,273	\$ 102,250
Payment in lieu of taxes	-	714	1,053	339
Charges for services	174,060	174,060	204,087	30,027
Intergovernmental	1,257,396	1,257,396	1,609,735	352,339
Contributions and donations	2,000	2,000	1,688	(312)
Other	25,000	25,000	26,696	1,696
<b>Total revenues</b>	<u>4,966,479</u>	<u>4,967,193</u>	<u>5,453,532</u>	<u>486,339</u>
<b>Expenditures:</b>				
Current:				
Health	5,507,711	5,469,479	5,134,699	334,780
Capital outlay	32,256	32,256	32,256	-
Debt service:				
Principal retirement	3,119	3,119	3,119	-
Interest and fiscal charges	460	460	460	-
<b>Total expenditures</b>	<u>5,543,546</u>	<u>5,505,314</u>	<u>5,170,534</u>	<u>334,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(577,067)</u>	<u>(538,121)</u>	<u>282,998</u>	<u>821,119</u>
<b>Other financing sources (uses):</b>				
Lease transaction	32,256	32,256	32,256	-
Transfers (out)	(51,347)	(51,347)	(51,347)	-
Other financing sources	26,000	33,830	55,059	21,229
<b>Total other financing sources (uses)</b>	<u>6,909</u>	<u>14,739</u>	<u>35,968</u>	<u>21,229</u>
Net change in fund balances	(570,158)	(523,382)	318,966	842,348
<b>Fund balances at beginning of year</b>	3,784,826	3,784,826	3,784,826	-
<b>Prior year encumbrances appropriated</b>	116,115	116,115	116,115	-
<b>Fund balance at end of year</b>	<u>\$ 3,330,783</u>	<u>\$ 3,377,559</u>	<u>\$ 4,219,907</u>	<u>\$ 842,348</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2023**  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and investments	\$ 418,092
Cash with fiscal agent	713,848
Noncurrent assets:	
Net pension asset	480
	1,132,420
<b>Total assets</b>	<b>1,132,420</b>
<b>Deferred outflows of resources:</b>	
Pension	38,942
OPEB	3,453
	42,395
<b>Total deferred outflows of resources</b>	<b>42,395</b>
<b>Liabilities:</b>	
Current liabilities:	
Accrued wages and benefits payable	1,160
Due to other governments	665
Claims payable	109,293
Long-term liabilities:	
Net pension liability	52,888
Net OPEB liability	1,105
	165,111
<b>Total liabilities</b>	<b>165,111</b>
<b>Deferred inflows of resources:</b>	
Pension	30,118
OPEB	550
	30,668
<b>Total deferred inflows of resources</b>	<b>30,668</b>
<b>Net position:</b>	
Restricted for pension and OPEB	480
Unrestricted	978,556
	979,036
<b>Total net position</b>	<b>\$ 979,036</b>

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, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating revenues:</b>	
Charges for services	\$ 5,898,629
Other	755,172
Total operating revenues	<u>6,653,801</u>
<b>Operating expenses:</b>	
Personal services	54,791
Contract services	4,466,119
Claims	1,233,472
Other	487
Total operating expenses	<u>5,754,869</u>
Operating income	898,932
<b>Nonoperating revenues:</b>	
Interest	16,304
Total nonoperating revenues	<u>16,304</u>
Change in net position	915,236
<b>Net position at beginning of year</b>	<u>63,800</u>
<b>Net position at end of year</b>	<u><u>\$ 979,036</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>	
Cash received from interfund services	\$ 5,765,100
Cash received from other receipts	755,172
Cash payments for personal services	(44,741)
Cash payments for contractual services	(4,471,294)
Cash payments for claims	(1,749,103)
Cash payments for other expenses	(487)
Net cash provided by operating activities	254,647
<b>Cash flows from investing activities:</b>	
Interest received	16,304
Net cash provided by investing activities	16,304
Net increase in cash and cash equivalents	270,951
<b>Cash and cash equivalents at beginning of year</b>	860,989
<b>Cash and cash equivalents at end of year</b>	\$ 1,131,940
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 898,932
Changes in assets, deferred outflows, liabilities and deferred inflow:	
Decrease in accounts receivable	85,012
Decrease in net OPEB asset	9,569
Decrease in net pension asset	823
Increase in deferred outflows - pension	(24,391)
Increase in deferred outflows - OPEB	(2,978)
Decrease in accounts payable	(5,175)
Decrease in accrued wages and benefits	(990)
Decrease in due to other governments	(511)
Decrease in claims payable	(720,029)
Increase in net pension liability	25,770
Increase in net OPEB liability	1,105
Decrease in deferred inflows - pension	(3,154)
Decrease in deferred inflows - OPEB	(9,336)
Net cash provided by operating activities	\$ 254,647

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Custodial</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 2,900,577
Cash in segregated accounts	786,574
Receivables (net of allowances for uncollectibles):	
Taxes - current	30,115,355
Due from other governments	<u>2,854,876</u>
Total assets	<u>36,657,382</u>
<b>Liabilities:</b>	
Accounts payable	54,570
Accrued wages and benefits	93,792
Compensated absences payable	106,319
Due to other governments	<u>4,225,639</u>
Total liabilities	<u>4,480,320</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	<u>29,580,654</u>
Total deferred inflows of resources	<u>29,580,654</u>
<b>Net position:</b>	
Restricted for individuals, organizations and other governments	<u>2,596,408</u>
Total net position	<u><u>\$ 2,596,408</u></u>

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, 2023  
 (SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Custodial</u>
<b>Additions:</b>	
From local sources:	
Intergovernmental	\$ 6,015,275
Amounts received as fiscal agent	3,403,046
Licenses, permits and fees for other governments	3,878,821
Fines and forfeitures for others	950,444
Property tax collection for other governments	26,739,397
Special assessments collections for other governments	191,720
Payment in lieu of taxes collected for other governments	9,611
Other custodial fund collections	<u>98,325</u>
 Total additions	 <u>41,286,639</u>
 <b>Deductions:</b>	
Distributions of state funds to other governments	6,016,938
Distributions as fiscal agent	3,444,323
Licenses, permits and fees distributions to other governments	3,823,327
Fines and forfeitures distributions to others	514,990
Property tax distributions to other governments	27,113,961
Special assessment distributions to other governments	191,720
Payment in lieu of taxes due to other governments	9,611
Other custodial fund disbursements	<u>94,957</u>
 Total deductions	 <u>41,209,827</u>
 Net change in fiduciary net position	 76,812
 <b>Net position beginning of year</b>	 <u>2,519,596</u>
 <b>Net position end of year</b>	 <u>\$ 2,596,408</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, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### 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, the Coshocton County Land Reutilization Corporation and the Coshocton County Transportation Improvement District. 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, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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.

Information related to Coshocton County Transportation Improvement District is presented in Note 25.

***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, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### 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 2023, the County returned unspent funds of \$17,682 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 2023, Coshocton County contributed \$364,925 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 2023, Coshocton County paid \$76,583 to MEORC for residential services.

## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### 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 2023, the County contributed \$3,924 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 2023, the County paid \$131,569 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 \$200,000 to the Port Authority during 2023.

#### *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, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### 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. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2023 was \$250,531.

#### *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 paid \$602 to the Authority during 2023.

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 \$1,480 to the District during 2023.

#### *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, civil 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, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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.

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.

County Debt fund - This fund accounts for various revenues collected for payment of general obligation debt principal, interest and related costs.

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.

## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

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

**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.

#### 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.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

**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, 2023, but which were levied to finance 2024 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.

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.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

**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 2023, the County invested in federal agency securities, municipal bonds, U.S. Treasury notes, U.S. Government money markets, 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 are reported at fair value which is based on quoted market prices.

During 2023, the County invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The County measures 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 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdraws 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.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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 2023 amounted to \$2,716,309 which includes \$2,456,348 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, 2023, 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.

**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.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 land, equipment and software. 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.

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.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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.

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.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

**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.

**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 2023.

**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.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
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NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For 2023, the County has implemented GASB Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*”, GASB Statement No. 96, “*Subscription Based Information Technology Arrangements*”, certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, “*Omnibus 2022*”.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the County.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

These changes were incorporated in the County’s 2023 financial statements. The County recognized \$34,646 in governmental activities in right-to-use subscription assets at January 1, 2023.

A net position restatement is required in order implement GASB Statement No. 96. The governmental activities have been restated as follows:

	Governmental Activities
Net position as previously reported	\$ 37,811,145
Restatement of capital assets	<u>34,646</u>
Restated Net position at July 1	<u>\$ 37,845,791</u>

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 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.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Deficit Fund Balances**

Fund balances at December 31, 2023 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor governmental funds</u>	
Human services	\$ 5,767
Small cities grant	2,302,633

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.

**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);

## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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
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 2023, the County and public depositories complied with the provisions of these statutes.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT’S COMPILATION REPORT)

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Cash with Fiscal Agent**

At December 31, 2023, the County had \$1,746,090 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, 2023, the County’s internal service fund had a balance of \$713,848 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, 2023, the County had \$60,229 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 \$786,574 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, 2023, the County had \$1,943 in cash on hand which is reported on the financial statements as part of “equity in pooled cash and cash equivalents”.

**D. Deposits with Financial Institutions**

At December 31, 2023, the carrying amount of all County deposits was \$3,885,695 and the bank balance of all County deposits was \$5,862,232. 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, 2023, 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	\$ 8,941,370	\$ 1,226,628	\$ 605,411	\$ 2,515,461	\$ 1,288,714	\$ 3,305,156
U.S. Govt Money Market	111,475	111,475	-	-	-	-
Municipal Bonds	710,265	-	480,205	-	-	230,060
FFCB	2,118,723	-	245,512	-	324,205	1,549,006
FHLB	2,122,709	507,884	-	229,849	-	1,384,976
FHLMC	460,900	-	-	-	-	460,900
FNMA	1,901,759	540,826	565,222	-	580,642	215,069
FAMC	390,320	246,520	-	-	-	143,800
U.S. Treasury Note	2,194,127	1,048,119	-	-	193,860	952,148
Foreign Issues	249,192	-	-	-	150,987	98,205
<i>Amortized Cost:</i>						
STAR Ohio	41,185,304	41,185,304	-	-	-	-
<b>Total</b>	<b>\$ 60,386,144</b>	<b>\$ 44,866,756</b>	<b>\$ 1,896,350</b>	<b>\$ 2,745,310</b>	<b>\$ 2,538,408</b>	<b>\$ 8,339,320</b>

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

The weighted average maturity of investments is 0.56 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, 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 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.

*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, 2023:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
Fair Value:		
Negotiable CDs	\$ 8,941,370	14.81%
U.S. Govt Money Market	111,475	0.18%
Commercial Paper		
Municipal Bonds	710,265	1.18%
FFCB	2,118,723	3.51%
FHLB	2,122,709	3.52%
FHLMC	460,900	0.76%
FNMA	1,901,759	3.15%
FAMC	390,320	0.65%
U.S. Treasury Note	2,194,127	3.63%
Foreign Issues	249,192	0.41%
Amortized Cost:		
STAR Ohio	<u>41,185,304</u>	<u>68.20%</u>
Total	<u>\$ 60,386,144</u>	<u>100.00%</u>

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,885,695
Investments	60,386,144
Cash on hand	1,943
Cash in segregated accounts	846,803
Cash with fiscal agent	<u>2,459,938</u>
Total	<u>\$ 67,580,523</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 63,893,372
Custodial funds	<u>3,687,151</u>
Total	<u>\$ 67,580,523</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2023, consisted of the following, as reported on the fund financial statements:

<u>Transfer from general fund to:</u>	
Nonmajor governmental funds	\$ 535,068
 <u>Transfer from County Board of DD fund to:</u>	
Nonmajor governmental fund	51,347
 <u>Transfer from County Debt fund to:</u>	
Capital Projects fund	<u>7,500,000</u>
Total transfers	<u>\$ 8,086,415</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 2023 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.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

**B. Due To/From Other Funds**

The County had the following amounts due to/from other funds at December 31, 2023:

Fund	Due from other funds	Due to other funds
General fund	\$ 41,669	\$ 6,201
County board of DD fund	-	120
Nonmajor governmental	107,108	142,456
Total	\$ 148,777	\$ 148,777

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.

**C. Interfund Balances**

Interfund balances, related to items other than charges for goods and services rendered, at December 31, 2023, consist of the following individual fund loan receivable and payable as reported on the fund statements:

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

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. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 6 - PROPERTY TAXES - (Continued)**

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, 2023 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 2023 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, 2023 was \$16.85 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

Real property	\$ 737,459,340
Public utility personal property	<u>111,678,040</u>
Total assessed value	<u>\$ 849,137,380</u>

**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. Sales tax revenue in 2023 amounted to \$9,787,829; \$7,026,518 was credited to the general fund and \$2,761,311 was credited to the criminal justice center debt fund (a nonmajor governmental fund).

**NOTE 8 – NOTE PAYABLE – FINANCED PURCHASE**

During the current year and 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 and a corresponding liability was recorded in the government-wide financial statements. Principal payments in 2023 totaled \$257,112. Principal and interest payments are made from the 911 levy fund (a nonmajor governmental fund), the emergency ambulance levy fund (a nonmajor governmental fund), and the motor vehicle and gas tax fund (a nonmajor governmental fund).

Capital assets consisting of machinery and equipment and vehicles have been capitalized in the amount of \$1,393,206 in governmental activities. 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.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8 – NOTE PAYABLE – FINANCED PURCHASE - (Continued)**

The following is a schedule of the future payments required under the note payable as of December 31, 2023:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 142,278	\$ 19,720	\$ 161,998
2025	110,733	13,479	124,212
2026	72,714	8,368	81,082
2027	76,346	4,737	81,083
2028	<u>24,147</u>	<u>921</u>	<u>25,068</u>
Total	<u>\$ 426,218</u>	<u>\$ 47,225</u>	<u>\$ 473,443</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.

**NOTE 10 – CONTINGENCIES**

**A. 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.

**B. 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.

**C. Other Contingencies**

The County identified a potential liability associated with the IRS payments as of December 31, 2023. The amount of the potential liability can not be determined as of the date of this report.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 – RECEIVABLES**

Receivables at December 31, 2023, 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, 2023. A summary of the principal items due from other governments:

Fund / Type	Amount
Major funds:	
General fund:	
Local government revenue	\$ 273,201
Payment in lieu of taxes	235
Casino tax	263,631
Homestead and rollback	116,271
Miscellaneous reimbursements	10,316
	663,654
County board of DD fund:	
Payment in lieu of taxes	480
Homestead and rollback	108,549
Miscellaneous grants and reimbursements	23,939
	132,968
Other governmental funds:	
Local government revenue	2,860,233
Payment in lieu of taxes	449
Homestead and rollback	153,621
Miscellaneous grants and reimbursements	179,547
	3,193,850
Total due from other governments	\$ 3,990,472

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - CAPITAL ASSETS**

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the County has reported capital assets for the right to use SBITA equipment which are reflected in the schedule below. Governmental activities capital asset activity for the year ended December 31, 2023, was as follows:

<b><u>Governmental activities:</u></b>	Restated Balance <u>12/31/22</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/23</u>
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 1,920,884	\$ 36,300	\$ (21,120)	\$ 1,936,064
Easements and Right of Ways	-	10,000	-	10,000
Construction in progress	<u>5,624,788</u>	<u>21,237,320</u>	<u>(6,035,226)</u>	<u>20,826,882</u>
Total capital assets, not being depreciated/amortized	<u>7,545,672</u>	<u>21,283,620</u>	<u>(6,056,346)</u>	<u>22,772,946</u>
<i>Capital assets, being depreciated/amortized:</i>				
Building and improvements	16,649,046	8,400,739	(15,314)	25,034,471
Machinery and equipment	6,270,894	532,574	(230,162)	6,573,306
Right to use - equipment	134,561	93,622	-	228,183
Right to use - land	10,735	-	-	10,735
Right to use - software	45,974	-	-	45,974
Vehicles	6,418,752	332,483	(100,325)	6,650,910
Infrastructure	31,142,167	697,088	-	31,839,255
Software	<u>787,268</u>	<u>43,610</u>	<u>(5,689)</u>	<u>825,189</u>
Total capital assets, being depreciated/amortized	<u>61,459,397</u>	<u>10,100,116</u>	<u>(351,490)</u>	<u>71,208,023</u>
<i>Less: accumulated depreciation/amortization:</i>				
Building and improvements	(10,434,506)	(570,533)	15,314	(10,989,725)
Machinery and equipment	(3,509,637)	(354,871)	218,306	(3,646,202)
Right to use - equipment	(44,370)	(39,095)	-	(83,465)
Right to use - land	(1,667)	(1,086)	-	(2,753)
Right to use - software	(11,328)	(16,992)	-	(28,320)
Vehicles	(2,988,633)	(587,106)	77,218	(3,498,521)
Infrastructure	(21,427,166)	(524,090)	-	(21,951,256)
Software	<u>(392,369)</u>	<u>(57,902)</u>	<u>3,697</u>	<u>(446,574)</u>
Total accumulated depreciation/amortization	<u>(38,809,676)</u>	<u>(2,151,675)</u>	<u>314,535</u>	<u>(40,646,816)</u>
Total capital assets, being depreciated/amortized net	<u>22,649,721</u>	<u>7,948,441</u>	<u>(36,955)</u>	<u>30,561,207</u>
Governmental activities capital assets, net	<u>\$ 30,195,393</u>	<u>\$ 29,232,061</u>	<u>\$ (6,093,301)</u>	<u>\$ 53,334,153</u>

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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	\$ 298,964
Judicial	102,363
Public safety	235,791
Public works	954,333
Health	453,769
Human services	<u>106,455</u>

Total depreciation/amortization expense - governmental activities \$ 2,151,675

**NOTE 13 - LONG-TERM OBLIGATIONS**

In 2023, the following changes occurred in the County's governmental activities long-term obligations.

	<u>Issue</u>	<u>Maturity</u>	<u>Interest</u>	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Amount Due</u>
<b>Governmental Activities:</b>	<u>Date</u>	<u>Date</u>	<u>Rate</u>	<u>12/31/22</u>	<u></u>	<u></u>	<u>12/31/23</u>	<u>in One Year</u>
<u>General obligation bonds:</u>								
<i>Direct borrowings:</i>								
Various Purpose Bonds, Series 2023	2023	12/1/2048	4.125 - 5%	\$ -	\$ 26,075,000	\$ -	\$ 26,075,000	\$ 555,000
Total general obligation bonds				<u>-</u>	<u>26,075,000</u>	<u>-</u>	<u>26,075,000</u>	<u>555,000</u>
<u>Notes:</u>								
<i>Direct borrowings:</i>								
Promissory Note	2019	5/13/2029	3.27%	199,999	-	(16,667)	183,332	16,667
Home Loan Savings Building	2017	5/5/2027	2.50%	144,585	-	(28,917)	115,668	28,917
Total notes				<u>344,584</u>	<u>-</u>	<u>(45,584)</u>	<u>299,000</u>	<u>45,584</u>
<u>Other long-term obligations:</u>								
Lease Payable				106,183	93,622	(42,562)	157,243	58,898
Note payable - financed purchase				444,250	239,080	(257,112)	426,218	142,278
Net Pension Liability				10,950,791	23,691,800	(3,730)	34,638,861	-
Net OPEB Liability				-	712,585	-	712,585	-
Compensated Absences				1,457,322	1,159,334	(1,321,853)	1,294,803	1,190,896
Total Other Long-Term Obligations				<u>12,958,546</u>	<u>25,896,421</u>	<u>(1,625,257)</u>	<u>37,229,710</u>	<u>1,392,072</u>
Total general long-term obligations				<u>\$ 13,303,130</u>	<u>\$ 51,971,421</u>	<u>\$ (1,670,841)</u>	<u>63,603,710</u>	<u>\$ 1,992,656</u>
Add: unamortized premium on bond issuance							1,270,970	
Total reported on the statement of net position							<u>\$ 64,874,680</u>	

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - LONG TERM OBLIGATIONS - (Continued)**

On March 8, 2023, the County issued bonds 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. These bonds are general obligations of the County, for which its full faith and credit is pledged for repayment. The bonds have an annual interest rate of 4.125-5% and are scheduled to mature on December 1, 2048. Principal and interest payments are made out of the County debt fund, the criminal justice center debt fund (a nonmajor governmental fund), the Emergency ambulance levy fund (a nonmajor governmental fund), and the permanent improvement fund (a nonmajor governmental fund). At December 31, 2023, the County had \$14,917,179 of unspent bond proceeds remaining on the general obligation bonds.

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 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. The County reports 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 lease agreements with the following terms:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Land	2018 & 2020	5 - 20	2023 & 2040	Annually
Copiers	2018 - 2023	5	2023 - 2028	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.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - LONG TERM OBLIGATIONS - (Continued)**

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

Year Ending December 31,	Bonds Payable			Note Payable		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 555,000	\$ 1,252,275	\$ 1,807,275	\$ 45,584	\$ 9,035	\$ 54,619
2025	585,000	1,224,525	1,809,525	45,584	7,725	53,309
2026	615,000	1,195,275	1,810,275	45,584	6,439	52,023
2027	645,000	1,164,525	1,809,525	45,584	5,154	50,738
2028	675,000	1,132,275	1,807,275	16,667	3,879	20,546
2029 - 2033	3,910,000	5,120,375	9,030,375	99,997	3,315	103,312
2034 - 2038	4,990,000	4,040,375	9,030,375	-	-	-
2039 - 2043	6,235,000	2,802,919	9,037,919	-	-	-
2044 - 2048	7,865,000	1,222,751	9,087,751	-	-	-
<b>Total</b>	<b>\$26,075,000</b>	<b>\$19,155,295</b>	<b>\$45,230,295</b>	<b>\$ 299,000</b>	<b>\$ 35,547</b>	<b>\$ 334,547</b>

Year Ending December 31,	Lease Payable		
	Principal	Interest	Total
2024	\$ 58,898	\$ 3,939	\$ 62,837
2025	49,159	2,053	51,212
2026	22,704	888	23,592
2027	14,297	455	14,752
2028	6,407	178	6,585
2029 - 2033	2,450	550	3,000
2034 - 2038	2,742	258	3,000
2039 - 2043	586	14	600
<b>Total</b>	<b>\$ 157,243</b>	<b>\$ 8,335</b>	<b>\$ 165,578</b>

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 \$1,415,444 at December 31, 2023 and the unvoted legal debt margin was \$8,491,374 at December 31, 2023.

**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 – SHORT-TERM NOTES PAYABLE**

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. These notes have a stated rate of 4.25% and mature April 6, 2024.

**NOTE 15 - RISK MANAGEMENT**

**A. General Insurance**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County addresses these risks by being a member of the County Risk Sharing Authority (CORSA). CORSA is a risk sharing pool established by the County Commissioners Association of Ohio (CCAO) to provide property and liability coverage for counties who are members of CCAO. It was incorporated in the State of Ohio in 1987 as a nonprofit corporation. CORSA membership currently consist of 72 counties and 47 multi-county facilities and county affiliated entities.

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. An elected board of not more than nine Directors manages the affairs of the Corporation. 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 Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities, and equity at April 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Assets	\$ 129,300,035	\$ 137,285,896
Liabilities	<u>(60,872,556)</u>	<u>(53,364,336)</u>
Member's Equity	<u>\$ 68,427,479</u>	<u>\$ 83,921,560</u>

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**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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	2,000,000
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	48,000
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.

In 2023, the County participated in a risk-sharing pool, the County Employee Benefits Consortium of Ohio, Incorporated (CEBCO). CEBCO charges a fixed premium per month per enrolled employee. The premiums, along with an administrative charge, are paid into the CEBCO Insurance Internal Service fund by participating County funds and, in turn, the premiums are paid to CEBCO. Premiums charged by CEBCO are based upon the County’s claims experience. CEBCO retains liability for claims that exceed the expected losses and charged premiums.

**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.

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**NOTE 15 - RISK MANAGEMENT - (Continued)**

**C. 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 \$90.03 family and single premium, a medical plan with a \$2,134.48 family and \$1,061.20 single premium, a prescription drug plan with a \$453.87 family and \$206.55 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.

The claims liability of \$109,293 reported in the fund at December 31, 2023, 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 2023 and 2022 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>
2023	\$	264,313	\$	1,233,472	\$	(1,388,492)	\$	109,293
2022		123,834		1,067,498		(927,019)		264,313

**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.

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The 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.

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 is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

**COSHOCTON COUNTY, OHIO**

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

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

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	<u>State and Local</u>		
	<u>Traditional</u>	<u>Combined</u>	<u>Law Enforcement</u>
<b>2023 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	14.0 %	18.1 %
Employee *	10.0 %	10.0 %	**
<b>2023 Actual Contribution Rates</b>			
Employer:			
Pension ***	14.0 %	12.0 %	18.1 %
Post-employment Health Care Benefits ***	<u>0.0</u>	<u>2.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>13.0 %</u>

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

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

\*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

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

The County’s contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$2,796,930 for 2023. Of this amount, \$449,986 is reported as due to other governments.

## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

##### *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](http://www.strsoh.org).

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective Aug. 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until Aug. 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

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

The DC Plan allows members to place all of their member contributions and 11.09% of the 14.00% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 2.91% of the 14.00% 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, 12.00% of the 14.00% percent member rate is deposited into the member's DC account and the remaining 2.00% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

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

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2023 employer and employee contribution rate of 14.00% was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The County’s contractually required contribution to STRS was \$40,516 for 2023.

***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, 2022, 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, 2023, 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:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.123882%	0.128518%	0.063104%	0.002403%	
Proportion of the net pension liability/asset current measurement date	<u>0.119255%</u>	<u>0.134088%</u>	<u>0.047246%</u>	<u>0.002463%</u>	
Change in proportionate share	<u>-0.004627%</u>	<u>0.005570%</u>	<u>-0.015858%</u>	<u>0.000060%</u>	
Proportionate share of the net pension liability	\$ 34,108,466	\$ -	\$ -	\$ 530,395	\$ 34,638,861
Proportionate share of the net pension asset	-	(305,988)	(3,578)	-	(309,566)
Pension expense	5,297,011	39,231	(347)	5,802	5,341,697

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At December 31, 2023, 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
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 1,132,940	\$ 18,813	\$ 10,283	\$ 19,339	\$ 1,181,375
Net difference between projected and actual earnings on pension plan investments	9,721,986	111,515	1,677	-	9,835,178
Changes of assumptions	360,331	20,259	227	43,682	424,499
Changes in employer's proportionate percentage/difference between employer contributions	209,123	-	-	9,713	218,836
Contributions subsequent to the measurement date	2,697,247	76,671	23,012	21,298	2,818,228
Total deferred outflows of resources	<u>\$ 14,121,627</u>	<u>\$ 227,258</u>	<u>\$ 35,199</u>	<u>\$ 94,032</u>	<u>\$ 14,478,116</u>
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ -	\$ 43,723	\$ -	\$ 1,176	\$ 44,899
Net difference between projected and actual earnings on pension plan investments	-	-	-	1,591	1,591
Changes of assumptions	-	-	-	32,878	32,878
Changes in employer's proportionate percentage/difference between employer contributions	455,909	-	-	46,537	502,446
Total deferred inflows of resources	<u>\$ 455,909</u>	<u>\$ 43,723</u>	<u>\$ -</u>	<u>\$ 82,182</u>	<u>\$ 581,814</u>

\$2,818,228 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, 2024.

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**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
2024	\$ 1,215,118	\$ 4,530	\$ 1,703	\$ (24,605)	\$ 1,196,746
2025	2,129,194	20,512	1,829	(36,419)	2,115,116
2026	2,861,654	28,461	1,861	53,554	2,945,530
2027	4,762,505	48,010	2,106	(1,978)	4,810,643
2028	-	(132)	1,213	-	1,081
Thereafter	-	5,483	3,475	-	8,958
<b>Total</b>	<b>\$ 10,968,471</b>	<b>\$ 106,864</b>	<b>\$ 12,187</b>	<b>\$ (9,448)</b>	<b>\$ 11,078,074</b>

**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, 2022, 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, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation

Current measurement date	2.75%
Prior measurement date	2.75%

Future salary increases, including inflation

Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% 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: 3.00%, simple through 2022, then 2.05% simple

Investment rate of return

Current measurement date	6.90%
Prior measurement date	6.90%

Actuarial cost method

Individual entry age

**COSHOCTON COUNTY, OHIO**

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

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 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, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00 %</u>	

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**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, 2022 was 6.90%. 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 benefit 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:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 51,093,344	\$ 34,108,466	\$ 19,980,096
Combined Plan	(159,687)	(305,988)	(421,937)
Member-Directed Plan	(2,287)	(3,578)	(4,574)

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 actuarial valuation compared with June 30, 2022 are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	8.50% 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, 2023, 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.

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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.

The actuarial assumptions used in the June 30, 2023, 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, 2022, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016. An actuarial study is done on a quinquennial basis.

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>	

\* Final target weights reflected at 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, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates. 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, 2023. 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, 2023.

**Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, 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:

	Current		
	1% Decrease	Discount Rate	1% Increase
County's proportionate share of the net pension liability	\$ 815,630	\$ 530,395	\$ 289,164

COSHOCTON COUNTY, OHIO

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

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

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

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

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

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

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

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

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

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

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

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

## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% 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 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$21,983 for 2023. Of this amount, \$3,537 is reported as due to other governments.

**COSHOCTON COUNTY, OHIO**

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***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](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.00% of covered payroll. For 2023, STRS did not allocate any employer contributions to post-employment health care.

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

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

	OPERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.121426%	0.002403%	
Proportion of the net OPEB liability current measurement date	<u>0.116725%</u>	<u>0.000000%</u>	
Change in proportionate share	<u>-0.004701%</u>	<u>-0.002403%</u>	
Proportionate share of the net OPEB liability	\$ 712,585	\$ -	\$ 712,585
Proportionate share of the net OPEB asset	-	(47,901)	(47,901)
OPEB expense	(1,146,265)	(1,680)	(1,147,945)

**COSHOCTON COUNTY, OHIO**

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

At December 31, 2023, 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 74	\$ 74
Net difference between projected and actual earnings on OPEB plan investments	1,415,216	88	1,415,304
Changes of assumptions	695,997	7,055	703,052
Changes in employer's proportionate percentage/ difference between employer contributions	25,207	1,204	26,411
Contributions subsequent to the measurement date	21,983	-	21,983
Total deferred outflows of resources	<u>\$ 2,158,403</u>	<u>\$ 8,421</u>	<u>\$ 2,166,824</u>
	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 177,746	\$ 7,308	\$ 185,054
Changes of assumptions	57,268	31,605	88,873
Changes in employer's proportionate percentage/ difference between employer contributions	15,998	448	16,446
Total deferred inflows of resources	<u>\$ 251,012</u>	<u>\$ 39,361</u>	<u>\$ 290,373</u>

\$21,983 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 in the year ending December 31, 2024.

**COSHOCTON COUNTY, OHIO**

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**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
2024	\$ 248,877	\$ (13,241)	\$ 235,636
2025	511,554	(6,452)	505,102
2026	441,310	(2,491)	438,819
2027	683,667	(3,333)	680,334
2028	-	(3,053)	(3,053)
Thereafter	-	(2,370)	(2,370)
<b>Total</b>	<b>\$ 1,885,408</b>	<b>\$ (30,940)</b>	<b>\$ 1,854,468</b>

***Actuarial Assumptions - OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

The actuarial valuation used the following 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	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
Prior Measurement date	2.75 to 10.75%
Single Discount Rate:	
Current measurement date	5.22%
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	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

**COSHOCTON COUNTY, OHIO**

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**NOTE 17 - DEFINED BENEFIT OPEB 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 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan 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 loss of 15.6% for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit 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 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 Health Care’s portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

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

**Discount Rate** - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. 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 4.05%.

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22%) or one-percentage-point higher (6.22%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability/(asset)	\$ 2,425,313	\$ 712,585	\$ (700,696)

***Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% 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 health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is 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 liability	\$ 667,922	\$ 712,585	\$ 762,855

**COSHOCTON COUNTY, OHIO**

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, actuarial valuation, compared with June 30, 2022, are presented below:

	June 30, 2023		June 30, 2022	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		8.50% 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%	4.14%	7.50%	3.94%
Medicare	-10.94%	4.14%	-68.78%	3.94%
Prescription Drug				
Pre-Medicare	-11.95%	4.14%	9.00%	3.94%
Medicare	1.33%	4.14%	-5.47%	3.94%

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

For the actuarial valuation as of June 30, 2023, 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, 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.

The actuarial assumptions used in the June 30, 2023, 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, 2022, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016. An actuarial experience study is done on a quinquennial basis.

**COSHOCTON COUNTY, OHIO**

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Asset Class	Target Allocation*	Long-Term Expected 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>	

\* Final target weights reflected at 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, 2023. 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, 2023. 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, 2023.

**Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00%, 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.

	1% Decrease	Current Discount Rate	1% Increase
	County's proportionate share of the net OPEB asset	\$ 40,542	\$ 47,901
	1% Decrease	Current Trend Rate	1% Increase
	County's proportionate share of the net OPEB asset	\$ 54,607	\$ 47,901

**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 18 - RELATED PARTY TRANSACTIONS**

Coshocton County Airport authority is a component unit of Coshocton County. During 2023, the County Airport Authority received an operating transfer from the County in the amount of \$130,796.

Additionally, the County pays salary and fringe benefits for Airport Authority employees, with the exception of the Airport Authority's Secretary – Treasurer. During 2023, The County paid Airport Authority employees' salaries and fringe benefits of \$120,703. 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 the local matching requirement of the Airport Authority grants. During 2023, The County paid \$34,667 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).

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**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:

	<b>Net Change in Fund Balance</b>	
	<u>General fund</u>	County Board of <u>DD</u>
Budget basis	\$ 674,818	\$ 318,966
Net adjustment for revenue accruals	171,888	136,398
Net adjustment for expenditure accruals	655,070	(372,070)
Net adjustment for other sources/uses	(69,493)	(55,059)
Funds budgeted elsewhere	103,780	-
Adjustment for encumbrances	<u>473,472</u>	<u>91,930</u>
GAAP basis	<u>\$ 2,009,535</u>	<u>\$ 120,165</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**

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**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	County Board of DD Fund	County Debt Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepayments	\$ 229,087	\$ -	\$ -	\$ -	\$ -	\$ 229,087
Materials and supplies inventory	62,220	5,348	-	-	357,340	424,908
Unclaimed monies	267,032	-	-	-	-	267,032
<b>Total nonspendable</b>	<b>558,339</b>	<b>5,348</b>	<b>-</b>	<b>-</b>	<b>357,340</b>	<b>921,027</b>
Restricted:						
Capital projects	-	-	-	15,536,335	1,889,073	17,425,408
Debt service	-	-	3,953,100	-	3,808,909	7,762,009
Public works	-	-	-	-	4,474,458	4,474,458
Human services	-	-	-	-	355,675	355,675
Health	-	6,013,257	-	-	218,774	6,232,031
General government operations	-	-	-	-	598,916	598,916
Public safety programs	-	-	-	-	1,536,651	1,536,651
Other purposes	-	-	-	-	26,066	26,066
<b>Total restricted</b>	<b>-</b>	<b>6,013,257</b>	<b>3,953,100</b>	<b>15,536,335</b>	<b>12,908,522</b>	<b>38,411,214</b>
Committed:						
Human services	-	-	-	-	384,025	384,025
Health	-	-	-	-	964,815	964,815
Public safety programs	-	-	-	-	439,074	439,074
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,787,914</b>	<b>1,787,914</b>
Assigned:						
Human services	7,629	-	-	-	-	7,629
Health services	13,824	-	-	-	-	13,824
General government operations	120,128	-	-	-	-	120,128
Public safety programs	176,244	-	-	-	-	176,244
Capital outlay	81,736	-	-	-	-	81,736
Subsequent year appropriations	3,866,811	-	-	-	-	3,866,811
<b>Total assigned</b>	<b>4,266,372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,266,372</b>
Unassigned (deficit)	795,278	-	-	-	(2,310,925)	(1,515,647)
<b>Total fund balances</b>	<b>\$ 5,619,989</b>	<b>\$ 6,018,605</b>	<b>\$ 3,953,100</b>	<b>\$ 15,536,335</b>	<b>\$ 12,742,851</b>	<b>\$ 43,870,880</b>

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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	\$ 354,561
County board of DD	74,485
Capital projects	23,475,300
Other governmental	<u>3,568,770</u>
 Total	 <u>\$ 27,473,116</u>

**NOTE 22 - TAX ABATEMENTS**

As of December 31, 2023, 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 2023, 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>26,080</u>
Total	<u>\$ 26,080</u>

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT’S COMPILATION REPORT)

**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  
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**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.

6. *Reclassifications*

Certain amounts previously reported have been reclassified to conform to the reporting presentation of the financial statements at December 31, 2023.

**C. Change in Accounting Principles**

For 2023, the Airport has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the Airport.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Airport.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 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.

**COSHOCTON COUNTY, OHIO**

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

**D. Deposits and Investments**

At year end, the carrying amount of the Airport's deposits was \$478,073 and the bank balance was \$481,678. Protection of the Airport's deposits is provided by the Federal Deposit Insurance Corporation (FDIC). The Airport has no investments. The Airport also had \$300 in cash on hand.

**E. Capital Assets**

	Balance			Balance
	<u>12/31/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/23</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 189,296	\$ -	\$ -	\$ 189,296
Construction in progress	<u>-</u>	<u>474,824</u>	<u>-</u>	<u>474,824</u>
Total capital assets, not being depreciated	<u>189,296</u>	<u>474,824</u>	<u>-</u>	<u>664,120</u>
<i>Capital assets, being depreciated:</i>				
Building and improvements	675,000	10,080	-	685,080
Infrastructure	5,790,582	-	-	5,790,582
Vehicles	-	5,000	-	5,000
Furniture and equipment	<u>546,484</u>	<u>37,698</u>	<u>-</u>	<u>584,182</u>
Total cost	<u>7,012,066</u>	<u>52,778</u>	<u>-</u>	<u>7,064,844</u>
<i>Less: accumulated depreciation:</i>				
Building and improvements	(340,000)	(11,530)	-	(351,530)
Infrastructure	(3,426,629)	(277,327)	-	(3,703,956)
Vehicles	-	(750)	-	(750)
Furniture and equipment	<u>(386,210)</u>	<u>(17,621)</u>	<u>-</u>	<u>(403,831)</u>
Total accumulated depreciation	<u>(4,152,839)</u>	<u>(307,228)</u>	<u>-</u>	<u>(4,460,067)</u>
Total capital assets, being depreciated net	<u>2,859,227</u>	<u>(254,450)</u>	<u>-</u>	<u>2,604,777</u>
Total capital assets, net	<u>\$ 3,048,523</u>	<u>\$ 220,374</u>	<u>\$ -</u>	<u>\$ 3,268,897</u>

**F. Lease Receivable**

The Airport is reporting leases receivable of \$170,618. For fiscal year 2023, the Airport recognized lease revenue of \$62,259, which is reported in rental income and interest revenue.

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.

**COSHOCTON COUNTY, OHIO**

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

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 December 31,	Principal	Interest	Total
2024	\$ 53,348	\$ 3,602	\$ 56,950
2025	41,129	2,621	43,750
2026	27,354	1,646	29,000
2027	21,963	837	22,800
2028	5,558	442	6,000
2029 - 2032	21,266	734	22,000
Total	<u>\$ 170,618</u>	<u>\$ 9,882</u>	<u>\$ 180,500</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.

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.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 24 - COSHOCTON COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT**  
- (Continued)

**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.

*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.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 24 - COSHOCTON COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT**  
- (Continued)

*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, 2023.

*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, 2023, the carrying amount of all Corporation deposits was \$196,429. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, all of the Corporations bank balance of \$196,429 was covered by the Federal Deposit Insurance Corporation (FDIC).

**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 2023, 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.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 25 - COSHOCTON COUNTY TRANSPORTATION IMPROVEMENT DISTRICT - COMPONENT UNIT**

**Description of the District**

The Coshocton County Transportation Improvement District, (the “District”), is a body politic and corporate, created for the purpose to acquire, construct, enlarge, improve, equip, sell, lease, lease-purchase, exchange, or otherwise dispose of property, structures, and other facilities for transportation projects. The District was specifically created pursuant to Chapter 5540 of the Ohio Revised Code, as amended. The District was created by action of the Board of Coshocton County Commissioners on April 22, 2019 – Resolution 2019-027.

The District 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 of whom five are voting and two are non-voting. Each Board member serves a term of one year and there are no term limits for reappointment. The five voting Board members are appointed by the Board of Coshocton County Commissioners, one nonvoting member is appointed by the Speaker of the Ohio House of Representatives of the general assembly, and one nonvoting member is appointed by the President of the Senate of the general assembly.

The District 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 District’s primary government and basic financial statements include components units which are defined as legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District 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 District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of organization. The District does not have any component units and does not include any organizations in its presentation. The District’s management believes these basic financial statements present all activities for which the District is financially accountable. The District is a component unit of Coshocton County, Ohio.

**Summary of Significant Accounting Policies**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles

The District’s significant accounting policies are described below.

*Basis of Presentation*

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

The statement of net position presents the financial condition of the District at year-end. The statement of activities presents a comparison between the expenses and program revenues for each program or function of the District’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 District, 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 District.

**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 25 - COSHOCTON COUNTY TRANSPORTATION IMPROVEMENT DISTRICT - COMPONENT UNIT-  
(Continued)**

*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 District 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.

*Budgetary Process*

The District is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The District did not adopt an annual budget prior to the beginning of the year or approve appropriations and subsequent amendments during the year.

*Cash and Cash Equivalents*

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

*Capital Assets*

The District reports no capital assets.

*Accrued Liabilities and Long-Term Obligations*

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. At December 31, 2023, the District had no payables or accrued liabilities.

*Receivables*

The District had no receivables outstanding at December 31, 2023.

*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 District had no restricted net position at December 31, 2023.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 25 - COSHOCTON COUNTY TRANSPORTATION IMPROVEMENT DISTRICT - COMPONENT UNIT-  
(Continued)**

*Estimates*

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

*Extraordinary and Special Items*

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District Administration and that are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items during 2023.

**Deposits and Investments**

*Deposits with Financial Institutions*

At December 31, 2023, the carrying amount of all District deposits was \$500. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, all of the Districts bank balance of \$50 was covered by the Federal Deposit Insurance Corporation (FDIC).

**Risk Management**

*Property and Liability*

The District 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 2023, the District was covered by the County's insurance policy.

**Contingencies**

Federal and State contracts are subject to review and audit by the grantor agencies or their designees. Such audits could lead to requests for reimbursement to the grantor agency for expenses disallowed under terms of the grant. There are no such claims pending and no known situations which would lead to such a claim. In addition, based upon prior experience and audit results, management believes that such disallowances, if any, would be immaterial.

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 TEN YEARS  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
County's proportion of the net pension liability	0.119255%	0.123882%	0.118548%	0.115623%
County's proportionate share of the net pension liability	\$ 34,108,466	\$ 10,416,666	\$ 16,972,971	\$ 22,240,091
County's covered payroll	\$ 17,315,646	\$ 17,396,451	\$ 15,560,971	\$ 14,999,298
County's proportionate share of the net pension liability as a percentage of its covered payroll	196.98%	59.88%	109.07%	148.27%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	92.62%	86.88%	82.17%
<i>Combined Plan:</i>				
County's proportion of the net pension asset	0.134088%	0.128518%	0.112035%	0.101442%
County's proportionate share of the net pension asset	\$ 305,988	\$ 489,380	\$ 312,693	\$ 205,852
County's covered payroll	\$ 605,779	\$ 566,500	\$ 480,486	\$ 423,907
County's proportionate share of the net pension asset as a percentage of its covered payroll	50.51%	86.39%	65.08%	48.56%
Plan fiduciary net position as a percentage of the total pension asset	137.14%	169.88%	157.67%	145.28%
<i>Member Directed Plan:</i>				
County's proportion of the net pension asset	0.472460%	0.631040%	0.068732%	0.073450%
County's proportionate share of the net pension asset	\$ 3,578	\$ 11,073	\$ 12,114	\$ 2,701
County's covered payroll	\$ 311,260	\$ 382,530	\$ 401,710	\$ 409,860
County's proportionate share of the net pension asset as a percentage of its covered payroll	1.15%	2.89%	3.02%	0.66%
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	118.84%

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

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.115473%	0.117088%	0.114872%	0.120146%	0.119920%	0.119920%
\$ 29,688,152	\$ 17,748,319	\$ 25,393,424	\$ 20,254,366	\$ 14,069,900	\$ 13,752,108
\$ 14,387,989	\$ 15,199,868	\$ 15,527,875	\$ 14,691,942	\$ 14,951,925	\$ 14,388,777
206.34%	116.77%	163.53%	137.86%	94.10%	95.58%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
0.116493%	0.115052%	0.107132%	0.084810%	0.089523%	0.089523%
\$ 122,284	\$ 151,332	\$ 58,044	\$ 40,167	\$ 33,530	\$ 9,138
\$ 481,400	\$ 458,692	\$ 402,633	\$ 314,325	\$ 327,242	\$ 331,946
25.40%	32.99%	14.42%	12.78%	10.25%	2.75%
126.64%	137.28%	116.55%	116.90%	114.83%	104.56%
0.065351%	0.068967%	0.069012%	0.061383%	n/a	n/a
\$ 1,398	\$ 2,326	\$ 279	\$ 228	n/a	n/a
\$ 360,950	\$ 367,280	\$ 429,900	\$ 406,310	n/a	n/a
0.39%	0.63%	0.06%	0.06%	n/a	n/a
113.42%	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 TEN YEARS  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's proportion of the net pension liability	0.00246295%	0.00240271%	0.00285165%	0.00276633%
County's proportionate share of the net pension liability	\$ 530,395	\$ 534,125	\$ 364,609	\$ 669,353
County's covered-employee payroll	\$ 288,629	\$ 294,979	\$ 373,250	\$ 369,800
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	183.76%	181.07%	97.68%	181.00%
Plan fiduciary net position as a percentage of the total pension liability	80.02%	78.88%	87.78%	75.48%

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

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.00281976%	0.00278605%	0.00265062%	0.00274362%	0.00267909%	0.00289660%
\$ 623,573	\$ 612,590	\$ 629,660	\$ 918,372	\$ 740,422	\$ 704,553
\$ 352,879	\$ 334,714	\$ 323,957	\$ 293,443	\$ 263,736	\$ 332,985
176.71%	183.02%	194.37%	312.96%	280.74%	211.59%
77.40%	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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 2,697,247	\$ 2,529,615	\$ 2,541,275	\$ 2,275,455
Contributions in relation to the contractually required contribution	<u>(2,697,247)</u>	<u>(2,529,615)</u>	<u>(2,541,275)</u>	<u>(2,275,455)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 19,266,050	\$ 17,315,646	\$ 17,396,451	\$ 15,560,871
Contributions as a percentage of covered payroll	14.00%	14.61%	14.61%	14.62%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 76,671	\$ 84,809	\$ 79,310	\$ 67,268
Contributions in relation to the contractually required contribution	<u>(76,671)</u>	<u>(84,809)</u>	<u>(79,310)</u>	<u>(67,268)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 638,925	\$ 605,779	\$ 566,500	\$ 480,486
Contributions as a percentage of covered payroll	12.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 23,012	\$ 31,126	\$ 38,253	\$ 40,171
Contributions in relation to the contractually required contribution	<u>(23,012)</u>	<u>(31,126)</u>	<u>(38,253)</u>	<u>(40,171)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 230,120	\$ 311,260	\$ 382,530	\$ 401,710
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,318,200	\$ 2,108,656	\$ 2,066,950	\$ 1,863,345	\$ 1,763,033	\$ 1,794,231
<u>(2,318,200)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,999,298	\$ 14,387,989	\$ 15,199,868	\$ 15,527,875	\$ 14,691,942	\$ 14,951,925
15.45%	14.65%	13.59%	12.00%	12.00%	12.00%
\$ 59,347	\$ 67,396	\$ 59,630	\$ 48,316	\$ 37,719	\$ 39,269
<u>(59,347)</u>	<u>(67,396)</u>	<u>(59,630)</u>	<u>(48,316)</u>	<u>(37,719)</u>	<u>(39,269)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 423,907	\$ 481,400	\$ 458,692	\$ 402,633	\$ 314,325	\$ 327,242
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$ 40,986	\$ 36,095	\$ 36,728	\$ 42,990	\$ 40,631	\$ -
<u>(40,986)</u>	<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>
\$ 409,860	\$ 360,950	\$ 367,280	\$ 429,900	\$ 406,310	\$ -
10.00%	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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 40,516	\$ 40,408	\$ 41,297	\$ 52,255
Contributions in relation to the contractually required contribution	<u>(40,516)</u>	<u>(40,408)</u>	<u>(41,297)</u>	<u>(52,255)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 289,400	\$ 288,629	\$ 294,979	\$ 373,250
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 51,772	\$ 49,403	\$ 46,860	\$ 45,354	\$ 41,082	\$ 36,923
<u>(51,772)</u>	<u>(49,403)</u>	<u>(46,860)</u>	<u>(45,354)</u>	<u>(41,082)</u>	<u>(36,923)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 369,800	\$ 352,879	\$ 334,714	\$ 323,957	\$ 293,443	\$ 263,736
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

**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 SEVEN YEARS  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's proportion of the net OPEB liability/asset	0.116725%	0.121426%	0.116331%	0.113512%
County's proportionate share of the net OPEB liability/(asset)	\$ 712,585	\$ (3,675,663)	\$ (2,003,887)	\$ 15,258,005
County's covered payroll	\$ 17,921,425	\$ 18,345,481	\$ 16,443,067	\$ 15,833,065
County's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	3.98%	-20.04%	-12.19%	96.37%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%

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

<b>2019</b>	<b>2018</b>	<b>2017</b>
0.113492%	0.114970%	0.112186%
\$ 13,890,154	\$ 12,063,143	\$ 11,030,918
\$ 15,230,339	\$ 16,025,840	\$ 16,360,408
91.20%	75.27%	67.42%
46.33%	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 SEVEN YEARS  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's proportion of the net OPEB liability	0.02462950%	0.00240271%	0.00285165%	0.00276633%
County's proportionate share of the net OPEB liability (asset)	\$ (47,901)	\$ (62,214)	\$ (60,125)	\$ (48,618)
County's covered-employee payroll	\$ 288,629	\$ 294,979	\$ 373,250	\$ 369,800
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-16.60%	-21.09%	-16.11%	-13.15%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	168.52%	230.73%	174.73%	182.13%

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

<b>2019</b>	<b>2018</b>	<b>2017</b>
0.00281976%	0.00278605%	0.00265062%
\$ (46,702)	\$ (45,000)	\$ 103,417
\$ 352,879	\$ 334,714	\$ 323,957
-13.23%	-13.44%	31.92%
174.70%	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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 21,983	\$ 12,451	\$ 15,301	\$ 16,069
Contributions in relation to the contractually required contribution	<u>(21,983)</u>	<u>(12,451)</u>	<u>(15,301)</u>	<u>(16,069)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 20,135,095	\$ 18,232,685	\$ 18,345,481	\$ 16,443,067
Contributions as a percentage of covered payroll	0.11%	0.07%	0.08%	0.10%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 16,394	\$ 14,438	\$ 171,277	\$ 319,670	\$ 285,313	\$ 296,762
<u>(16,394)</u>	<u>(14,438)</u>	<u>(171,277)</u>	<u>(319,670)</u>	<u>(285,313)</u>	<u>(296,762)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,833,065	\$ 15,230,339	\$ 16,025,840	\$ 16,360,408	\$ 15,412,577	\$ 15,279,167
0.10%	0.09%	1.07%	1.95%	1.85%	1.94%

**COSHOCTON COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</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	\$ 289,400	\$ 288,629	\$ 294,979	\$ 373,250
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,840
-	-	-	-	-	(2,840)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 369,800	\$ 352,879	\$ 334,714	\$ 323,957	\$ 293,443	\$ 263,736
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

COSHOCTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

PENSION

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*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.
- There were no changes in benefit terms from the amounts reported for 2023.

*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%.
- There were no changes in assumptions for 2023.

(Continued)

COSHOCTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

PENSION

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*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 assumptions for 2018.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- There were no changes in assumptions for 2022.
- There were no changes in assumptions for 2023.

*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.
- There were no changes in assumptions for 2023.

(Continued)

COSHOCTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*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.
- There were no changes in benefit terms from the amounts reported for 2023.

*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 10.50%, 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 10.50%, 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.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

(Continued)

COSHOCTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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%.
- For 2023, there were no change in assumptions.

*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 Annuitant Mortality Tables to Pub-2010 Teacher Health Annuitant 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.
- For 2023, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate, Medicare -68.78% initial - 3.94% ultimate to -10.94% initial - 4.14% ultimate; prescription drug pre-Medicare from 9.00% initial - 3.94% ultimate to -11.95% initial - 4.14% ultimate, Medicare -5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.