ECONOMIC DEVELOPMENT AND FINANCE ALLIANCE TUSCARAWAS COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

CEH
Charles E. Harris
& Associates, Inc.
CPAs and Government Consultants

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Directors
Economic Development and Finance Authority
339 Oxford Street
Dover, Ohio 44622

We have reviewed the *Independent Auditor's Report* of the Economic Development and Finance Authority, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

December 05, 2023

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TUSCARAWAS COUNTY

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TUSCARAWAS COUNTY

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INDEPENDENT AUDITOR'S REPORT

Economic Development and Finance Alliance
Tuscarawas County
339 Oxford Street
Dover, Ohio 44622

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Economic Development and Finance Alliance, Tuscarawas County, Ohio (the Alliance), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Alliance's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Economic Development and Finance Alliance, Tuscarawas County, Ohio. as of December 31, 2022 and 2021, and the changes in financial position and its cash flows, thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, for the year ended December 31, 2022, the Alliance has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Also, we noted that the We did not modify our opinions regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Alliance's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alliance's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2023, on our consideration of the Alliance's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Alliance's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Alliance's internal control over financial reporting and compliance.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
August 28, 2023

The management's discussion and analysis (MD&A) of the Economic Development and Finance Alliance ("the Alliance") financial performance provides an overall review of the Alliance's financial activities for the years ended December 31, 2022. The intent of this discussion and analysis is to look at the Alliance's financial performance as a whole; readers are encouraged to consider information presented here as well as the basic financial statements to enhance their understanding of the Alliance's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- Total operating revenues were $2,103,909 for 2022.
- Total operating expenses were $1,557,454 for 2022.
- Net position increased $450,383 in 2022.
- Outstanding debt decreased from $3,556,476 to $3,358,150 during 2022.

Using this Financial Report

This annual report consists of three parts, the MD&A, the basic financial statements, and notes to the basic financial statements. The basic financial statements include a statement of fund net position, statement of revenues, expenses and changes in fund net position and statement of cash flows. Since the Alliance only uses one fund for its operations, the entity-wide and the fund presentation information is the same.

Statement of Net Position and Statement of Revenues, Expenses, and Changes in Fund Net Position

The statement of fund net position answers the question, "How did we do financially during 2022?" This statement includes all assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. The basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

This change in net position is important because it tells the reader whether, for the Alliance as a whole, the financial position of the Alliance has improved or diminished. However, in evaluating the overall position of the Alliance, non-financial information such as changes in the condition of the Alliance's capital assets will also need to be evaluated.

This section contains a condensed comparison of assets, deferred outflows, liabilities, deferred inflows, net position, revenues and expenses and explanations for significant differences.

In the statement of fund net position and the statement of revenues, expenses and changes in fund net position, the Alliance uses enterprise presentation for all of its activities.

Table 1 provides a summary of the Alliance's net position for 2022 and 2021.

Table 1
Net Position

	2022	Restated * 2021	Change
Assets			
Current Assets	$ 1,406,445	$ 1,041,200	$ 365,245
Non-Current and Capital Assets	11,614,812	9,508,341	2,106,471
Total Assets	13,021,257	10,549,541	2,471,716
Deferred Outflow of Resources			
Pension	77,306	52,775	24,531
OPEB	7,882	39,121	(31,239)
Total Deferred Outflows of Resources	85,188	91,896	(6,708)
Liabilities			
Current Liabilities	163,925	536,007	(372,082)
Long-Term Liabilities:			
Due within One Year	324,024	318,501	5,523
Due In More Than One Year:			
Net Pension Liability	149,299	245,662	(96,363)
Other Amounts	3,034,126	3,237,975	(203,849)
Total Liabilities	3,671,374	4,338,145	(666,771)
Deferred Inflows of Resources			
Pension	180,861	153,689	27,172
OPEB	83,588	169,477	(85,889)
Deferred Inflows of Resources - Leases	2,740,113	-	2,740,113
Total Deferred Inflows of Resources	3,004,562	323,166	2,681,396
Net Position:			
Net Investment in Capital Assets	6,046,114	5,860,673	185,441
Unrestricted	384,395	119,453	264,942
Total Net Position	$ 6,430,509	$ 5,980,126	$ 450,383

*Assets and liabilities have been restated equally with the implementation of GASB 87 "Leases".

The net pension liability (NPL) is reported by the Alliance at December 31, 2022 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior year, the Alliance adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Alliance'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 net OPEB asset and deferred outflows related to pension and OPEB.

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*. 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.

GASB 68 and GASB 75 require the net pension liability/asset to equal the Alliance'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 Alliance 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. There is no repayment schedule for the net pension 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 is satisfied, this liability is separately identified within the long-term liability section of the comparative statement of fund net position.

In accordance with GASB 68 and GASB 75, the Alliance'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 and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Capital assets include land, land improvements, buildings and improvements, office equipment, vehicles and leased equipment. These capital assets are used to provide services to citizens and are not available for future spending. Although the Alliance's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Alliance's net position, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is unrestricted.

The following fluctuations occurred between 2022 and 2021:

Lease receivable increased due to implementation of GASB 87 "Leases", which includes two new leases effective during 2022. Prepaids increased due to general insurance becoming a prepaid in 2022. Accounts receivable increased due the Alliance billing a lessee for utilities. The decrease in intergovernmental receivable is due to the grant from Ohio Department of Transportation relating to construction of the left turn lanes were received in 2021. Loans receivable decreased due to the Extreme Trailer loan being forgiven in 2022. The decrease in current liabilities was a result of decreases in accounts payable and intergovernmental payable. The decrease in account payable and intergovernmental payables is due to bills being paid in a timely manner. The decrease in long-term liabilities was a result of debt payments and the decrease in the net pension liability due to changes in GASB 68 and 75. This change also effected the decreases and increases in deferred outflows of resources and deferred inflows of resources of pension and OPEB. Deferred inflow of resources leases increased due to the implementation of GASB 87 "Leases".

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

Table 2
Changes in Net Position

	2022	2021	Changes
Operating Revenues			
Charges for Services	$ 519,059	$ 511,053	$ 8,006
Leases	685,028	740,626	(55,598)
Permit Fees	899,679	736,243	163,436
Other	143	73	70
Total Operating Revenues	2,103,909	1,987,995	115,914
Operating Expenses			
Salaries and Benefits	351,707	122,004	229,703
Contractual Services	768,957	772,071	(3,114)
Materials and Supplies	11,506	12,482	(976)
Insurance and Bonding	34,727	37,327	(2,600)
Economic Development	-	119,769	(119,769)
Travel	16,999	12,557	4,442
Utilities	15,842	63,263	(47,421)
Depreciation	282,221	262,292	19,929
Amortization	16,597	-	16,597
Other	58,898	21,756	37,142
Total Operating Expenses	1,557,454	1,423,521	133,933
Operating Income (Loss)	546,455	564,474	(18,019)
Non-Operating Revenues (Expenses)			
Interest	307	256	51
Intergovernmental	106,212	233,619	(127,407)
Gain on Sale of Capital Asset	5,500	(800)	6,300
Loan Forgiveness	(58,093)	-	(58,093)
Interest and Fiscal Charges	(149,998)	(140,818)	(9,180)
Other Income	-	100,000	(100,000)
Total Non-Operating Revenues (Expenses)	(96,072)	192,257	(288,329)
Change in Net Position	450,383	756,731	(306,348)
Net Position Beginning of Year	5,980,126	5,223,395	756,731
Net Position End of Year	$ 6,430,509	$ 5,980,126	$ 450,383

Permit fees increased from 2021 to 2022 due to increases in applications for building plan approvals. The increase in salaries and benefit expense is the result of the changes in GASB 68 and 75 and payroll liabilities being paid in a timely manner.

Interest income increased from new lessor arrangements previously discussed. Loan forgiveness increased due to the Alliance forgiving the debt of Extreme Trailers for pass utilities bills. Intergovernmental revenue decreased due to money from the Ohio Department of Transportation for the turn lanes was completed. Other income decreased due to money received for the demolition and recycling of the Joy Manufacturing property in 2021. Economic development expense decreased due to the timing of the construction costs for the turn lanes that was completed in 2021. The lessee of the Alliance's building space reimburses the Alliance for utilities. This lessee made thirteen payments in 2022 instead of twelve, which is the reason for decrease in utilities.

Capital Assets

The Alliance completed a $908,806 roofing project in 2022. Note 3 provides additional information regarding capital asset activity during 2022.

Debt

In 2022 the Alliance drew down an additional $102,532 on a loan from First National Bank for a roofing project. Additional information concerning the Alliance's debt can be found in Notes 9 to the basic financial statements.

Contacting the Economic Development and Finance Alliance's Financial Management

This financial report is intended to provide our citizens, investors and creditors with a general overview of the Alliance's finances and to demonstrate the Alliance's accountability for the revenue it receives. If you have questions about this report or need additional financial information, contact the Executive Director at the Economic Development and Finance Alliance, 339 Oxford Street Dover, Ohio 44622.

Economic Development and Finance Alliance
Tuscarawas County, Ohio
Statement of Fund Net Position
Proprietary Fund
December 31, 2022

	Primary Government
	Business-Type Activities
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 585,242
Leases Receivable	656,981
Accounts Receivable	138,210
Interest Receivable	8,011
Prepaid Items	18,001
Total Current Assets	1,406,445
Non-Current Assets:	
Leases Receivable - Net of Current Portion	2,129,644
Net OPEB Asset	80,904
Non-Depreciable Capital Assets	2,298,779
Depreciable Capital Assets, Net	7,105,485
Total Non-Current Assets	11,614,812
Total Assets	13,021,257
Deferred Outflow of Resources	
Pension	77,306
OPEB	7,882
Total Deferred Outflows of Resources	85,188
Liabilities	
Current Liabilities:	
Accounts Payable	10,118
Intergovernmental Payable	23,565
Unearned Revenue	130,242
Loans Payable	306,741
Leases Payable	17,283
Total Current Liabilities	487,949
Long-Term Liabilities:	
Loans Payable - Net of Current Portion	3,007,819
Leases Payable - Net of Current Portion	26,307
Net Pension Liability	149,299
Total Long-Term Liabilities	3,183,425
Total Liabilities	3,671,374
Deferred Inflows of Resources	
Pension	180,861
OPEB	83,588
Deferred Inflows of Resources-Leases	2,740,113
Total Deferred Inflows of Resources	3,004,562
Net Position	
Net Investment in Capital Assets	6,046,114
Unrestricted	384,395
Total Net Position	$ 6,430,509

See accompanying notes to basic financial statements.

Economic Development and Finance Alliance
Tuscarawas County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2022

	Primary Government
	Business-Type Activities
Operating Revenues	
Charges for Services	$ 519,059
Leases	685,028
Permit Fees	899,679
Other	143
Total Operating Revenues	2,103,909
Operating Expenses	
Salaries and Benefits	351,707
Contractual Services	768,957
Materials and Supplies	11,506
Insurance and Bonding	34,727
Travel	16,999
Utilities	15,842
Depreciation	282,221
Amortization	16,597
Other	58,898
Total Operating Expenses	1,557,454
Operating Income (Loss)	546,455
Non-Operating Revenues (Expenses)	
Interest	307
Lease Interest	106,212
Gain on Sale of Capital Asset	5,500
Interest and Fiscal Charges	(149,998)
Loan Forgiveness	(58,093)
Total Non-Operating Revenues (Expenses)	(96,072)
Change in Net Position	450,383
Net Position Beginning of Year	5,980,126
Net Position End of Year	$ 6,430,509

See accompanying notes to basic financial statements.

Economic Development and Finance Alliance
Tuscarawas County, Ohio
Statement of Cash Flows - Proprietary Fund
For the Year Ended December 31, 2022

	Primary Government Business-Type Activities
Cash flows from Operating Activities:	
Cash Received from Customers (Includes Lease Receipts)	$ 1,887,723
Cash Payments for Goods and Services	(11,506)
Cash Payments for Contractual Services	(872,759)
Cash Payments for Employees Services and Benefits	(556,128)
Other Cash Payments	(134,635)
Net Cash Provided by Operating Activities	312,695
Cash Flows from Noncapital Financing Activities:	
Intergovernmental	233,619
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Loans Payable	102,532
Proceeds from Sale of Capital Assets	5,500
Acquisition of Capital Assets	(371,824)
Principal Payments on Loans	(302,716)
Principal Payments on Leases	(15,728)
Interest Paid on Loans	(140,497)
Interest Paid on Leases	(1,814)
Net Cash (Used for) Capital and Related Financing Activities	(724,547)
Cash Flows from Investing Activities:	
Receipts of Interest	307
Lease Interest Income	98,200
Net Cash Provided by Noncapital Financing Activities	98,507
Net Increase (Decrease) in Cash and Cash Equivalents	(79,726)
Cash and Cash Equivalents Beginning of Year	664,968
Cash and Cash Equivalents End of Year	$ 585,242

(continued)

See accompanying notes to basic financial statements.

Reconciliation of Operating Income To Net Cash Provided by Operating Activities:	
Operating Income	$ 546,455
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	282,221
Amortization	16,597
(Increase) Decrease in Assets and Deferred Outflows:	
Interest Receivable	(8,011)
Deferred Outflows - Pension	(24,531)
Deferred Outflows - OPEB	31,239
Net OPEB Asset	(36,186)
Accounts Receivable	(17,294)
Leases Receivable	(2,786,625)
Prepaids	(7,923)
Increase (Decrease) in Liabilities and Deferred Inflows:	
Accounts Payable	(78,451)
Deferred Inflows - Pension	27,172
Deferred Inflows - OPEB	(85,889)
Net Pension Liability	(96,363)
Deferred Inflows of Resources-Leases	2,740,113
Unearned Revenue	(169,966)
Intergovernmental Payable	(19,863)
Net Cash Provided by Operating Activities	$ 312,695

Noncash Capital Financing Activities:
The Alliance forgave a loan receivable in the amount of $58,093 in 2022 .
The Alliance purchased $103,802 of capital assets on account in 2021 .

See accompanying notes to basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Economic Development and Finance Alliance (the Alliance) is presented to assist in understanding the Alliance's financial statements. The financial statements and notes are representations of the Alliance's management and board who are responsible for their integrity and objectivity. These policies have been consistently applied in the preparation of the financial statements.

Reporting Entity

The Economic Development and Finance Alliance, Tuscarawas County, is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio pursuant to the authority of Section 4582.02 of the Ohio Revised Code. The Alliance was created December 31, 2000. The Alliance is governed by a five-member Board of Directors. Members of the Board are appointed by the Tuscarawas County Commissioners. The purpose of the Alliance is to be involved in the activities that enhance foster, aid, provide, or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research within Tuscarawas County.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Alliance consists of its general operating fund.

Component units are legally separate organizations for which the Alliance is financially accountable. The Alliance is financially accountable for an organization if the Alliance appoints a voting majority of the organization's governing board and (1) the Alliance is able to significantly influence the programs or services performed or provided by the organizations; (2) the Alliance is legally entitled to or can otherwise access the organization's resources; (3) the Alliance is legally obligated or has otherwise assumed the responsibility to finance the deficits, or provide financial support to, the organization; or (4) the Alliance is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the Alliance in that the Alliance approves the budget, the issuance of debt or the levying of taxes. The Alliance has no component units.

Related Organizations

Tuscarawas County Economic Development Corporation

On October 31, 2019, the Tuscarawas County Economic Development Corporation (TCEDC), a 501(c)3 non-profit organization, was formed to maximize the development and utilization of the human and economic resources of Tuscarawas County in order to create or preserve jobs and development opportunities and to improve the welfare of the people of the County. The TCEDC provides management services to the Alliance.

Basis of Accounting

The financial statements of the Alliance have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental 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 Alliance's accounting policies are described below.

The Alliance's financial statements consist of statements of fund net position, statements of revenue, expenses and changes in fund net position, and statements of cash flows.

The Alliance uses a single enterprise fund 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.

Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Alliance are included on the statement of fund net position. The statement of revenues, expenses, and 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 Alliance finances and meets the cash flow needs of its enterprise activity.

Fund Accounting

The Alliance maintains an enterprise fund, a proprietary fund type, which is the general operating fund and is used to account for all financial resources of the Alliance. This fund is used to account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges.

Pooled Cash and Cash Equivalents

To improve cash management, all cash received by the Alliance is pooled. All money is maintained in this pool. The Alliance's interest in the pool is presented as "equity in pooled cash and cash equivalents."

For purposes of the statement of cash flows, the Alliance considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Alliance had no investments at year end.

Prepaid Items

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported on the financial statements. In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources. Net pension liability should be recognized to the extent that benefit payments are due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources and are reported as obligations of the funds. Long-term loans are recognized as a liability on the financial statements when due.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Budgetary Process

Ohio Rev. Code Section 4582.13 requires that each fund be budgeted annually. This budget includes estimated receipts and appropriations.

1. **Appropriations**

   The Board annually approves appropriations and subsequent amendments. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed amounts appropriated for each office, department and division, and within each, the amount appropriated for personal services. Unencumbered appropriations lapse at year end.

2. **Estimated Resources**

   Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. **Encumbrances**

   The Alliance reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over and are not reappropriated.

Capital Assets

Capital assets utilized by the Alliance are reported on the statement of net position. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are reported at their acquisition value as of the date received. The Alliance maintains a capitalization threshold of five hundred dollars. 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. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land and Construction in Progress	N/A
Buildings and Improvements	5-39 Years
Land Improvements	5 Years
Vehicles	5 Years
Office Equipment	5-7 Years

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources 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. For the Alliance, deferred outflows of resources are reported on the statement of net position for deferred charge on pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 4 and 5.

In addition to liabilities, the statements of financial position will sometimes 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 until that time. For the Alliance, deferred inflows of resources include pension, other postemployment benefits (OPEB), and leases. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are explained in Notes 4 and 5.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Alliance did not have any restricted net position for 2022.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Alliance. All revenue and expenses not meeting these definitions are classified as nonoperating.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financing Fee Income

Fees associated with economic development loan programs and conduit debt transactions are recognized in operating income as they are received. Such fees will only be paid while the related debt is outstanding, therefore, they are subject to the risk that the debt will be repaid in advance of scheduled maturity.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability and net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net positon 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.

Implementation of New Accounting Principles

For the year ended December 31, 2022, the Alliance has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, GASB Statement No. 91, Conduit Debt Obligations, GASB Statement No. 92, Omnibus 2020, a certain provision of GASB Statement No. 93, Replacement of Interbank Offered Rates, certain provisions of GASB Statement No. 97, Component Unit Criteria and Deferred Compensation Plans, and certain provisions of GASB Statement No. 99, Omnibus 2022.

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the Alliance’s 2022 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the Alliance.

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

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraph 11b of GASB Statement No. 93 did not have an effect on the financial statements of the Alliance.

GASB Statement No. 97 results in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The implementation of certain provisions of GASB Statement No. 97 (all except paragraphs 4 and 5) did not have an effect on the financial statements of the Alliance.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves 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 certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the Alliance.

NOTE 2: CASH AND CASH EQUIVALENTS

State statues classify monies held by the Alliance into three categories.

Active monies are public deposits necessary to meet the demands on the treasury. Such monies must be maintained either as cash in the Alliance Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Alliance has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

Interim monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation 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 any other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool (STAR Ohio).

7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days and two hundred and seventy days, respectively from the purchase date in any amount not to exceed 40 percent of the interim monies available for investment at any one time; and

8. Written purchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

Deposits - At year-end 2022, $262,433 of the Alliance's bank balance of $619,883 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the Alliance's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the Alliance to a successful claim by the FDIC.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Restated Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Capital Assets Not Being Depreciated:				
Land	$ 2,298,779	$ -	$ -	$ 2,298,779
Construction in Progress	767,467	141,339	(908,806)	-
Total Capital Assets, Not Being Depreciated	3,066,246	141,339	(908,806)	2,298,779
Capital Assets, Being Depreciated/Amortized:				
Buildings and Improvements	9,107,033	1,018,904	(3,400)	10,122,537
Land Improvements	16,365	-	-	16,365
Vehicles	102,481	16,585	(67,000)	52,066
Office Equipment	85,014	-	(27,393)	57,621
Leased Equipment (intangible asset)	41,732	17,911	-	59,643
Total Capital Assets, Being Depreciated/Amortized	9,352,625	1,053,400	(97,793)	10,308,232
Less Accumulated Depreciation/Amortization:				
Buildings and Improvements	(2,838,582)	(271,285)	3,400	(3,106,467)
Land Improvements	(16,365)	-	-	(16,365)
Vehicles	(88,549)	(4,754)	67,000	(26,303)
Office Equipment	(58,226)	(6,182)	27,393	(37,015)
Leased Equipment (intangible asset)	-	(16,597)	-	(16,597)
Total Accumulated Depreciation/Amortization	(3,001,722)	(298,818)	97,793	(3,202,747)
Total Capital Assets Being Depreciated, Net	6,350,903	754,582	-	7,105,485
Total Business-Type Activities Capital Assets, Net	$ 9,417,149	$ 895,921	$ -	$ 9,404,264

NOTE 4: DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Asset

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

The net pension liability and net OPEB asset represents the Alliance'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.

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* and *net OPEB asset*. Any liability for the contractually-required pension/OPEB contributions outstanding at the end of the year is included in intergovernmental payable.

The remainder of this note includes the pension disclosures. See Note 5 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Alliance 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. Effective January 1, 2022, the Combined Plan is no longer available for member selection. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members. 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 were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups 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):

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

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.

When a 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. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Alliance's contractually required contribution was $37,946 for 2022.

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

The net pension liability for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Alliance's proportion of the net pension liability was based on the Alliance's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportion of the Net Pension Liability:	
Current Measurement Period	0.001716%
Prior Measurement Period	0.001659%
Change in Proportion	0.000057%
Proportionate Share of the Net Pension Liability	$ 149,299
Pension Expense	$ (55,776)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2022, the Alliance reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Differences between Expected and Actual Experience	$ 7,611
Changes of Assumptions	18,670
Changes in Proportionate Share and Differences in Contributions	13,079
Alliance Contributions Subsequent to the Measurement Date	37,946
Total Deferred Outflows of Resources	$ 77,306
Deferred Inflows of Resources	
Differences between Expected and Actual Experience	$ 3,274
Net Difference between Projected and Actual Earnings on Pension Plan Investments	177,587
Total Deferred Inflows of Resources	$ 180,861

$37,946 reported as deferred outflows of resources related to pension resulting from Alliance contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS
2023	$ (12,434)
2024	(59,061)
2025	(41,757)
2026	(28,249)
Total	$ (141,501)

Actuarial Assumptions – OPERS

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

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

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	3.00 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual Entry Age

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

	OPERS Traditional Plan
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	0.50 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.20 percent
Actuarial Cost Method	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
Alliance's Proportionate Share of the Net Pension Liability (Asset)	$ 393,633	$ 149,299	$ (54,020)

NOTE 5: DEFINED BENEFIT OPEB

Net OPEB Asset

See Note 4 for a description of the net OPEB asset.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Alliance had no contractually required contribution for 2022.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Alliance's proportion of the net OPEB asset was based on the Alliance'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
Proportion of the Net OPEB Liability (Asset):	
Current Measurement Period	0.002583%
Prior Measurement Period	0.002510%
Change in Proportion	0.000073%
Proportionate Share of the Net OPEB Liability (Asset)	$ (80,904)
OPEB Expense	$ (90,836)

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

	OPERS
Deferred Outflows of Resources	
Changes in Proportionate Share and Differences in Contributions	$ 7,882
Total Deferred Outflows of Resources	$ 7,882
Deferred Inflows of Resources	
Differences between Expected and Actual Experience	$ 12,272
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	38,568
Changes of Assumptions	32,748
Total Deferred Inflows of Resources	$ 83,588

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
2023	$ (44,234)
2024	(17,505)
2025	(8,427)
2026	(5,540)
Total	$ (75,706)

Actuarial Assumptions – OPERS

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

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

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.50 percent, initial 3.50 percent, ultimate in 2034	8.50 percent, initial 3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
Alliance's Proportionate Share of the Net OPEB (Asset)	$ (47,579)	$ (80,904)	$ (108,563)

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

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

	1% Decrease	Current Trend Rate	1% Increase
Alliance's Proportionate Share of the Net OPEB (Asset)	$ (81,778)	$ (80,904)	$ (79,866)

NOTE 6: RISK MANAGEMENT

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

The Alliance has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions
- General liability and casualty

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

The Alliance also provided health insurance and vision coverage to full-time employees through the Tuscarawas County Healthcare Consortium.

NOTE 7: RECEIVABLES

Receivables at December 31, 2022 consisted of accounts (billings for user charged rents). All receivables are deemed collectible in full.

In 2019, the Alliance entered into a loan agreement with Extreme Trailers LLC for $58,093. This loan is for utilities from the prior year that the Alliance had paid on behalf of Extreme Trailers LLC. In 2022 this loan was forgiven by the Alliance.

Loans receivable activity for the year ended December 31, 2022 was as follows:

	Outstanding 1/1/2022	Additions	Reductions	Outstanding 12/31/2022	Amount to be Received In One Year
Extreme Trailers - 0.0%	$ 58,093	$ -	$ (58,093)	$ -	$ -

NOTE 8: LONG-TERM OBLIGATIONS

Changes in long-term obligations of the Alliance during the year ended December 31, 2022 consisted of the following:

	Restated Outstanding 1/1/2022	Additions	Reductions	Outstanding 12/31/2022	Amounts Due In One Year
Direct Borrowings:					
Loans Payable - First National Bank of Dennison	$ 879,429	$ -	$ (101,600)	$ 777,829	$ 101,600
Loans Payable - First National Bank of Dennison	1,192,937	-	(43,824)	1,149,113	46,097
Loans Payable - First National Bank of Dennison	80,130	-	(30,750)	49,380	32,501
Loans Payable - First National Bank of Dennison	1,362,248	102,532	(126,542)	1,338,238	126,543
Leases Payable	41,732	17,586	(15,728)	43,590	17,283
Total Direct Borrowings	3,556,476	120,118	(318,444)	3,358,150	324,024
Net Pension Liability	245,662	-	(96,363)	149,299	-
Total Long Term Obligations	3,802,138	$ 120,118	$ (414,807)	$ 3,507,449	$ 324,024

There is no repayment schedule for the net pension liability; however, employer pension contributions are primarily made from the operating fund. For additional information related to the net pension liability, see Note 4.

On May 22, 2015 the Alliance entered into two loans with First Federal National Bank of Dennison. The first was for $1,524,000 the other was for $1,016,000. The proceeds were used to repay J. P. Morgan Chase Bank. These loans bear variable interest rates that may change periodically. Both loans will mature on June 1, 2030.

In 2019, the Alliance entered into loans with the First National Bank of Dennison. One for $1,296,000 with a variable interest rate and a maturity date of June 1, 2039. The other loan was for $150,000 with a variable interest rate and a maturity date of June 12, 2024. The proceeds of the loans were used to purchase a warehouse.

In 2021, the Alliance entered a loan with the First National Bank of Dennison for $1,475,325 with an interest rate of 3.45 percent and a maturity date of October 22, 2036. The proceeds of the loan were used a roofing project.

In the event of default, as defined by each of the loan agreements, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the Alliance to pay any fines or penalties incurred with interest.

The annual requirements to retire debt are as follows:

	Loans Payable	
Year	Principal	Interest
2023	$ 306,741	$ 125,353
2024	293,184	114,778
2025	278,627	105,129
2026	281,315	94,986
2027	284,144	84,701
2028-2032	1,230,553	271,770
2033-2037	497,890	96,126
2038-2039	142,106	5,574
Totals	$ 3,314,560	$ 898,417

The Alliance has outstanding agreements to lease forklifts and copiers. The forklifts lease was entered into on February 7, 2020 and will continue for a term of five years. The lease for the copiers was entered into on April 1, 2022 and will end on March 30, 2027. Due to the implementation of GASB Statement 87, these leases have met the criteria of leases thus requiring them to be recorded by the Alliance. The future lease payments were discounted based on the interest rate implicit in the lease or using the Alliance's incremental borrowing rate. This discount is being amortized over the life of the lease.

A summary of the principal and interest amounts for the remaining leases is as follows:

	Lease Obligations	
Year	Principal	Interest
2023	$ 17,283	$ 1,232
2024	17,889	626
2025	3,661	233
2026	3,789	105
2027	968	6
Totals	$ 43,590	$ 2,202

NOTE 9: LEASE RECEIVABLE

The Alliance leases space to two businesses for operations. The Alliance is reporting the lease receivable the financial statements at December 31, 2022. Both leases began on January 1, 2022 and will end on December 31, 2026. The Alliance is reporting a total lease receivable of $2,786,625. This amount represents the discounted future monthly lease payments. This discount is being amortized using the straight-line method. For 2022, the Alliance reported lease revenue of $685,028 and interest revenue of $106,212.

A summary of future lease payments are as follows:

Year	Principal	Interest	Total
2023	$ 656,981	$ 85,815	$ 742,796
2024	680,008	62,787	742,795
2025	712,334	38,819	751,153
2026	737,302	13,851	751,153
	$2,786,625	$201,272	$2,987,897

NOTE 10: CONCENTRATION OF CREDIT RISK

The Alliance maintains its activities within the Tuscarawas County, Ohio geographical area. The performance of its operational activities will be dependent on the performance of its tenants. The results of these companies and the operations of the Alliance projects may be dependent on the economical conditions of the local trade area.

NOTE 11: RELATED PARTIES

Tuscarawas County Economic Development Corporation

On October 31, 2019, the Tuscarawas County Economic Development Corporation (TCEDC), a 501(c)3 non-profit organization, was formed to maximize the development and utilization of the human and economic resources of Tuscarawas County in order to create or preserve jobs and development opportunities and to improve the welfare of the people of the County. The TCEDC provides management services to the Alliance.

Economic Development & Finance Alliance
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the Alliance's Proportionate Share of the Net Pension Liability
Last Nine Years (1)

	2022	2021	2020	2019
Ohio Public Employees' Retirement System (OPERS)				
Alliance's Proportion of the Net Pension Liability	0.001716%	0.001659%	0.001529%	0.0025420%
Alliance's Proportionate Share of the Net Pension Liability	$ 149,299	$ 245,662	$ 302,217	$ 696,202
Alliance's Covered Payroll	$ 249,107	$ 233,600	$ 215,164	$ 345,036
Alliance's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.93%	105.16%	140.46%	201.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.0028914%	0.0029845%	0.0026520%	0.0029840%	0.0029840%
$ 453,604	$ 677,727	$ 459,360	$ 359,904	$ 351,775
$ 382,100	$ 395,400	$ 345,192	$ 365,825	$ 309,900
118.71%	171.40%	133.07%	98.38%	113.51%
84.66%	77.25%	81.08%	86.45%	86.36%

See accompanying notes to the required supplementary information.

Economic Development & Finance Alliance
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the Alliance's Contributions - Pension
Last Ten Years

	2022	2021	2020	2019
Ohio Public Employees' Retirement System (OPERS)				
Contractually Required Contribution	$ 37,946	$ 34,875	$ 32,704	$ 30,123
Contributions in Relation to the Contractually Required Contribution	(37,946)	(34,875)	(32,704)	(30,123)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Alliance's Covered Payroll	$ 271,043	$ 249,107	$ 233,600	$ 215,164
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
$ 48,305	$ 49,673	$ 47,448	$ 41,423	$ 43,889	$ 40,287
(48,305)	(49,673)	(47,448)	(41,423)	(43,889)	(40,287)
$ -	$ -	$ -	$ -	$ -	$ -
$ 345,036	$ 382,100	$ 395,400	$ 345,192	$ 365,825	$ 309,900
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

See accompanying notes to the required supplementary information.

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Economic Development & Finance Alliance
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the Alliance's Proportionate Share of the Net OPEB Liability (Asset)
Last Six Years (1)

	2022	2021	2020	2019	2018	2017
Ohio Public Employees' Retirement System (OPERS)						
Alliance's Proportion of the Net OPEB Liability (Asset)	0.002583%	0.002510%	0.002307%	0.0033640%	0.0035736%	0.0036540%
Alliance's Proportionate Share of the Net OPEB Liability (Asset)	$ (80,904)	$ (44,718)	$ 318,657	$ 438,586	$ 388,063	$ 369,066
Alliance's Covered Payroll	$ 249,107	$ 233,600	$ 215,164	$ 345,036	$ 506,179	$ 514,520
Alliance's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-32.48%	-19.14%	148.10%	127.11%	76.67%	71.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	128.23%	115.57%	47.80%	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

Economic Development & Finance Alliance
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the Alliance's Contributions - OPEB
Last Seven Years

	2022	2021	2020	2019
Ohio Public Employees' Retirement System (OPERS)				
Contractually Required Contribution	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Alliance's Covered Payroll (1)	$ 271,043	$ 249,107	$ 233,600	$ 215,164
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(n/a) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.
(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

See accompanying notes to the required supplementary information.

2018	2017	2016
$ -	$ 3,821	$ 7,908
-	(3,821)	(7,908)
$ -	$ -	$ -
$ 489,693	$ 506,179	$ 514,520
0.00%	0.75%	1.54%

See accompanying notes to the required supplementary information.

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

Amounts reported incorporate changes in discount rate used in calculating the total pension liability as follows:

	2022	2021	2020	2019	2018
Discount Rate	6.90%	7.20%	7.20%	7.50%	8.00%

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. Wage inflation rate was also reduced from 3.25 percent to 2.75 percent.

Changes in Benefit Terms – OPERS

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.40 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3.00 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Assumption	2022	2021	2020	2019	2018	2017
Discount Rate	6.00%	6.00%	3.16%	3.96%	3.85%	4.23%
Municipal Bond Rate	1.84%	2.00%	2.75%	3.71%	3.31%	n/a
Health Care Cost Trend Rate	5.50%	8.50%	10.50%	10.00%	7.50%	n/a

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

For calendar year 2022, the cost of living adjustments decreased from 2.20 percent simple to 2.05 percent simple.

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple.

The management's discussion and analysis (MD&A) of the Economic Development and Finance Alliance ("the Alliance") financial performance provides an overall review of the Alliance's financial activities for the years ended December 31, 2021. The intent of this discussion and analysis is to look at the Alliance's financial performance as a whole; readers are encouraged to consider information presented here as well as the basic financial statements to enhance their understanding of the Alliance's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- Total operating revenues were $1,987,995 for 2021.
- Total operating expenses were $1,423,521 for 2021.
- Net position increased $756,731 in 2021, which represents a 14 percent increase from 2020.
- Outstanding debt decreased from $3,069,422 to $3,760,406 during 2021.

Using this Financial Report

This annual report consists of three parts, the MD&A, the basic financial statements, and notes to the basic financial statements. The basic financial statements include a statement of fund net position, statement of revenues, expenses and changes in fund net position and statement of cash flows. Since the Alliance only uses one fund for its operations, the entity-wide and the fund presentation information is the same.

Statement of Net Position and Statement of Revenues, Expenses, and Changes in Fund Net Position

The statement of fund net position answers the question, "How did we do financially during 2021?" This statement includes all assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. The basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

This change in net position is important because it tells the reader whether, for the Alliance as a whole, the financial position of the Alliance has improved or diminished. However, in evaluating the overall position of the Alliance, non-financial information such as changes in the condition of the Alliance's capital assets will also need to be evaluated.

This section contains a condensed comparison of assets, deferred outflows, liabilities, deferred inflows, net position, revenues and expenses and explanations for significant differences.

In the statement of fund net position and the statement of revenues, expenses and changes in fund net position, the Alliance uses enterprise presentation for all of its activities.

Table 1 provides a summary of the Alliance's net position for 2021 and 2020.

Table 1
Net Position

	2021	2020	Change
Assets			
Current Assets	$ 1,041,200	$ 926,328	$ 114,872
Non-Current and Capital Assets	9,466,609	8,796,014	670,595
Total Assets	10,507,809	9,722,342	785,467
Deferred Outflow of Resources			
Pension	52,775	48,846	3,929
OPEB	39,121	50,450	(11,329)
Total Deferred Outflows of Resources	91,896	99,296	(7,400)
Liabilities			
Current Liabilities	838,779	788,960	49,819
Long-Term Liabilities:			
Net Pension Liability	245,662	302,217	(56,555)
Net OPEB Liability	-	318,657	(318,657)
Loans Payable - net of current portion	3,211,972	2,838,872	373,100
Total Liabilities	4,296,413	4,248,706	47,707
Deferred Inflows of Resources			
Pension	153,689	216,430	(62,741)
OPEB	169,477	133,107	36,370
Total Deferred Inflows of Resources	323,166	349,537	(26,371)
Net Position:			
Net Investment in Capital Assets	5,860,673	5,653,958	206,715
Unrestricted	119,453	(430,563)	550,016
Total Net Position	$ 5,980,126	$ 5,223,395	$ 756,731

The net pension liability (NPL) is reported by the Alliance at December 31, 2021 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior year, the Alliance adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Alliance's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting net OPEB asset and deferred outflows related to pension and OPEB.

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* or *net OBEP liability*. 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.

GASB 68 and GASB 75 require the net pension liability/asset to equal the Alliance'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 Alliance 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. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the comparative statement of fund net position.

In accordance with GASB 68 and GASB 75, the Alliance'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 and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Capital assets include land, buildings and improvements, office equipment, vehicles and construction in progress. These capital assets are used to provide services to citizens and are not available for future spending. Although the Alliance's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Alliance's net position, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is unrestricted.

The following fluctuations occurred between 2021 and 2020:

Current assets increased primarily due to an increase in cash balances, accounts receivable and intergovernmental receivable. The increase in cash was the result of a contribution from ProVia for the construction of left turn lanes in 2021. The decrease in account receivable was the result of past due operating lease payments that were collected in 2021 due to the pandemic. The increase in intergovernmental receivable is due to an Ohio Department of Transportation grant relating to the turn lanes. Capital assets increased due to a roofing project started in the current fiscal year. The decrease in current liabilities was a result of decreases in accounts payable, accrued wages and intergovernmental payable. The decrease in account payable is due to bills being paid in a timely manner. The decrease in accrued wages is due to salaries being paid by year end. Intergovernmental payable decreased due to the reduction of property taxes that are due. The decrease in long-term liabilities was a result of the decrease in the net pension and OPEB liability due to changes in GASB 68 and 75. This change also effected the decreases in deferred outflows of resources and deferred inflows of resources.

Table 2 shows the changes in net position for the years ended December 31, 2021 and 2020.

Table 2
Changes in Net Position

	2021	2020	Changes
Operating Revenues			
Charges for Services	$ 511,053	$ 482,856	$ 28,197
Rentals	740,626	711,300	29,326
Permit Fees	736,243	618,469	117,774
Contributions	-	706,000	(706,000)
Other	73	58	15
Total Operating Revenues	1,987,995	2,518,683	(530,688)
Operating Expenses			
Salaries and Benefits	122,004	415,998	(293,994)
Contractual Services	772,071	617,810	154,261
Materials and Supplies	12,482	9,144	3,338
Insurance and Bonding	37,327	26,788	10,539
Economic Development	119,769	735,951	(616,182)
Travel	12,557	9,171	3,386
Utilities	63,263	43,787	19,476
Depreciation	262,292	263,614	(1,322)
Other	21,756	71,678	(49,922)
Total Operating Expenses	1,423,521	2,193,941	(770,420)
Operating Income (Loss)	564,474	324,742	239,732
Non-Operating Revenues (Expenses)			
Interest	256	2,736	(2,480)
Intergovernmental	233,619	200,000	33,619
Bad Debt	(800)	-	(800)
Interest and Fiscal Charges	(140,818)	(137,692)	(3,126)
Other Income	100,000	10,113	89,887
Total Non-Operating Revenues (Expenses)	192,257	75,157	117,100
Income (Loss) Before Capital Contributions	756,731	399,899	356,832
Capital Contributions	-	1,300,000	(1,300,000)
Change in Net Position	756,731	1,699,899	(943,168)
Net Position Beginning of Year	5,223,395	3,523,496	1,699,899
Net Position End of Year	$ 5,980,126	$ 5,223,395	$ 756,731

Permit fees increased from 2020 to 2021 due to increases in applications for building plan approvals. Contributions decreased due to a one-time payment in 2020 for ProVia's share of the turn lanes project. The decrease in salaries and benefit expense is the result of the changes in GASB 68 and 75.

Capital contributions decreased due to the donation of property to the Alliance in 2020. Intergovernmental revenue increased due to money from the Ohio Department of Transportation for the turn lanes. Other income increased due to money received for the demolition and recycling of the Joy Manufacturing property. Economic development expense decreased due to the timing of the construction costs for the turn lanes that was completed in 2021.

Capital Assets

Note 3 provides additional information regarding capital asset activity during 2021.

Debt

In 2021, the Alliance entered into a new loan agreement to finance the costs of a roofing project. Additional information concerning the Alliance's debt can be found in Notes 9 to the basic financial statements.

Current Issues

Reeves Mill Business Park

Deflecto LLC, owned by Edgewater Growth Capital Partners, is a Global Company that has locations in Indianapolis, Indiana, Anaheim, California, Dover, Ohio, Canada, China, and Europe. The Company designs, manufactures and markets plastic extruded, fabricated, vacuum form, sonic welded and injection molded products such as office organization, air distribution products, truck /auto reflectors and lenses, as well as aluminum duct for dryer venting. Rob Rafter, Dover Plant Manager reports that the Dover location is the largest manufacturer in the world of extruded chairmats for the office products and furniture industries.

In 2015 Deflecto leased an additional 16,140 square feet to accommodate a Truck Mud Flap manufacturing operation. In 2019, the company relocated a small manufacturing / assembly operation and its product distribution center from Indianapolis into about 80,000 square feet. In 2020 the Company leased an additional 34,492 square feet for expanding their current product lines. In late 2020, the Company asked for a reduction in 34,492 square feet of leased space, but then re-leased the space in late 2021.The Company's now leases 291,888 square feet or more than 6 acres of space. Deflecto now employs nearly 200 associates at the Dover location.

Extreme Trailers is now in their sixth year at the Reeves Mill Business Park after taking over the space previously occupied by Tremcar USA, 87,263 square feet. Extreme manufactures flatbed trailers that are the lightest available in the market. This advantage has been important to the company's growth. Their progress has been slowed by supply chain disruptions due to the COVID-19 Pandemic. However, the company is open and sales and production have exceeded pre-pandemic levels.

Other companies and organizations which call the Reeves Mill Business Park home are: The City of Dover Law Director, The East Central Ohio Building Authority, and the Tuscarawas County Economic Development Corporation, the Park continues to grow. The Alliance is still actively planning a 15 acre expansion on the East side of the park to support a resurgence of manufacturing businesses in the valley. Those 15 acres are in a designated Opportunity Zone.

1075 Warehouse

The 1075 Warehouse, a public warehouse operated by the Alliance, is in a 60,000 square foot building the Alliance acquired in 2019 in New Philadelphia. The Alliance Board again in December 2021 considered their alternatives and elected to continue to operate and develop the 1075 Warehouse operation. The demand for Public Warehousing continues to grow in the Tuscarawas County region. The proof is that the 1075 Warehouse is at full capacity and there is still an ongoing demand for additional space. At this point the Alliance has no plans to expand the warehouse operation beyond the current 60,000 square feet.

Tuscarawas County Economic Development Corporation

The Alliance continues to be managed by the Tuscarawas County Economic Development Corporation (TCEDC), a 501c3 created in October 2018. The TCEDC also manages the Tuscarawas County Community Improvement Corporation. The first President of the TCEDC, Harry Eadon, has retired effective March 31, 2022. He has been replaced by Marla Akridge. Marla brings more than twenty years of diversified Economic Development experience to the Organization.

Contacting the Economic Development and Finance Alliance's Financial Management

This financial report is intended to provide our citizens, investors and creditors with a general overview of the Alliance's finances and to demonstrate the Alliance's accountability for the revenue it receives. If you have questions about this report or need additional financial information, contact the Executive Director at the Economic Development and Finance Alliance, 339 Oxford Street Dover, Ohio 44622.

Economic Development and Finance Alliance
Tuscarawas County, Ohio
Statement of Fund Net Position
Proprietary Fund
December 31, 2021

	Business-Type Activities
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 664,968
Loans Receivable	11,619
Accounts Receivable	120,916
Intergovernmental Receivable	233,619
Prepaid Items	10,078
Total Current Assets	1,041,200
Non-Current Assets:	
Loans Receivable - Net of Current Portion	46,474
Net OPEB Asset	44,718
Non-Depreciable Capital Assets	3,066,246
Depreciable Capital Assets, Net	6,309,171
Total Non-Current Assets	9,466,609
Total Assets	10,507,809
Deferred Outflow of Resources	
Pension	52,775
OPEB	39,121
Total Deferred Outflows of Resources	91,896
Liabilities	
Current Liabilities:	
Accounts Payable	88,569
Contracts Payable	30,346
Retainage Payable	73,456
Intergovernmental Payable	43,428
Unearned Revenue	300,208
Loans Payable	302,772
Total Current Liabilities	838,779
Long-Term Liabilities:	
Loans Payable - Net of Current Portion	3,211,972
Net Pension Liability	245,662
Total Long-Term Liabilities	3,457,634
Total Liabilities	4,296,413
Deferred Inflows of Resources	
Pension	153,689
OPEB	169,477
Total Deferred Inflows of Resources	323,166
Net Position	
Net Investment in Capital Assets	5,860,673
Unrestricted	119,453
Total Net Position	$ 5,980,126

See accompanying notes to the basic financial statements.

Economic Development and Finance Alliance
Tuscarawas County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2021

	Business-Type Activities
Operating Revenues	
Charges for Services	$ 511,053
Rentals	740,626
Permit Fees	736,243
Other	73
Total Operating Revenues	1,987,995
Operating Expenses	
Salaries and Benefits	122,004
Contractual Services	772,071
Materials and Supplies	12,482
Insurance and Bonding	37,327
Economic Development	119,769
Travel	12,557
Utilities	63,263
Depreciation	262,292
Other	21,756
Total Operating Expenses	1,423,521
Operating Income (Loss)	564,474
Non-Operating Revenues (Expenses)	
Interest	256
Intergovernmental	233,619
Bad Debt	(800)
Interest and Fiscal Charges	(140,818)
Other Income	100,000
Total Non-Operating Revenues (Expenses)	192,257
Change in Net Position	756,731
Net Position Beginning of Year	5,223,395
Net Position End of Year	$ 5,980,126

See accompanying notes to the basic financial statements.

Economic Development and Finance Alliance
Tuscarawas County, Ohio
Statement of Cash Flows - Proprietary Fund
For the Year Ended December 31, 2021

	Business-Type Activities
Cash flows from Operating Activities:	
Cash Received from Customers	$ 2,349,603
Cash Payments for Economic Development	(119,769)
Cash Payments to Suppliers for Goods and Services	(12,226)
Cash Payments for Employees Services and Benefits	(613,525)
Cash Payments for Contractual Services	(1,081,017)
Other Cash Payments	(120,954)
Net Cash Provided by Operating Activities	402,112
Cash Flows from Noncapital Financing Activities:	
Payment made on Loans Receivable	57,149
Other Income	100,000
Intergovernmental	200,000
Net Cash Provided By Noncapital Financing Activities	357,149
Cash Flows from Capital and Related Financing Activities:	
Bad Debt	(800)
Proceeds from Loans Payable	1,372,793
Acquisition of Capital Assets	(810,529)
Principal Payments on Loans	(927,471)
Interest Paid on Loans	(140,818)
Net Cash (Used for) Capital and Related Financing Activities	(506,825)
Cash Flows from Investing Activities:	
Receipts of Interest	256
Net Increase in Cash and Cash Equivalents	252,692
Cash and Cash Equivalents Beginning of Year	412,276
Cash and Cash Equivalents End of Year	$ 664,968
Reconciliation of Operating Income To Net Cash Provided by Operating Activities:	
Operating Income	$ 564,474
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	262,292
(Increase) Decrease in Assets and Deferred Outflows:	
Deferred Outflows - Pension	(3,929)
Deferred Outflows - OPEB	11,329
Net OPEB Asset	(44,718)
Accounts Receivable	141,916
Prepaids	(1,464)
Increase (Decrease) in Liabilities and Deferred Inflows:	
Accounts Payable	(294,741)
Deferred Inflows - Pension	(62,741)
Deferred Inflows - OPEB	36,370
Net Pension Liability	(56,555)
Net OPEB Liability	(318,657)
Accrued Wages	(12,172)
Unearned Revenue	219,692
Intergovernmental Payable	(38,984)
Net Cash Provided by Operating Activities	$ 402,112

Noncash Capital Financing Activities:
The Alliance purchased $103,802 of capital assets on account in 2021 .

See accompanying notes to the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Economic Development and Finance Alliance (the Alliance) is presented to assist in understanding the Alliance's financial statements. The financial statements and notes are representations of the Alliance's management and board who are responsible for their integrity and objectivity. These policies have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The Economic Development and Finance Alliance, Tuscarawas County, is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio pursuant to the authority of Section 4582.02 of the Ohio Revised Code. The Alliance was created December 31, 2000. The Alliance is governed by a five-member Board of Directors. Members of the Board are appointed by the Tuscarawas County Commissioners. The purpose of the Alliance is to be involved in the activities that enhance foster, aid, provide, or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research within Tuscarawas County.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Alliance consists of its general operating fund.

Component units are legally separate organizations for which the Alliance is financially accountable. The Alliance is financially accountable for an organization if the Alliance appoints a voting majority of the organization's governing board and (1) the Alliance is able to significantly influence the programs or services performed or provided by the organizations; (2) the Alliance is legally entitled to or can otherwise access the organization's resources; (3) the Alliance is legally obligated or has otherwise assumed the responsibility to finance the deficits, or provide financial support to, the organization; or (4) the Alliance is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the Alliance in that the Alliance approves the budget, the issuance of debt or the levying of taxes. The Alliance has no component units.

B. Basis of Accounting

The financial statements of the Alliance have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental 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 Alliance's accounting policies are described below.

The Alliance's financial statements consist of statements of fund net position, statements of revenue, expenses and changes in fund net position, and statements of cash flows.

The Alliance uses a single enterprise fund 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.

Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Deferred Inflows/Outflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Alliance, deferred outflows of resources are reported on the statement of fund net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 4 and 5.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Alliance, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB plans are reported on the statement of fund net position. (See Notes 4 and 5).

C. Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Alliance are included on the statement of fund net position. The statement of revenues, expenses, and 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 Alliance finances and meets the cash flow needs of its enterprise activity.

D. Fund Accounting

The Alliance maintains an enterprise fund, a proprietary fund type, which is the general operating fund and is used to account for all financial resources of the Alliance. This fund is used to account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges.

E. Pooled Cash and Cash Equivalents

To improve cash management, all cash received by the Alliance is pooled. All money is maintained in this pool. The Alliance's interest in the pool is presented as "equity in pooled cash and cash equivalents."

For purposes of the statement of cash flows, the Alliance considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Alliance had no investments at year end.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expense in the year in which the services are consumed.

G. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported on the financial statements. In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources. Net pension liability should be recognized to the extent that benefit payments are due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources and are reported as obligations of the funds. Long-term loans are recognized as a liability on the financial statements when due.

H. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

I. Budgetary Process

Ohio Rev. Code Section 4582.13 requires that each fund be budgeted annually. This budget includes estimated receipts and appropriations.

1. **Appropriations**

   The Board annually approves appropriations and subsequent amendments. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed amounts appropriated for each office, department and division, and within each, the amount appropriated for personal services. Unencumbered appropriations lapse at year end.

2. **Estimated Resources**

   Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. **Encumbrances**

   The Alliance reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over and are not reappropriated.

J. Capital Assets

Capital assets utilized by the Alliance are reported on the statement of net position. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are reported at their acquisition value as of the date received. The Alliance maintains a capitalization threshold of five hundred dollars. 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. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land and Construction in Progress	N/A
Buildings and Improvements	5-39 Years
Land Improvements	5 Years
Vehicles	5 Years
Office Equipment	5-7 Years

K. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Alliance did not have any restricted net position for 2021.

L. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Alliance. All revenue and expenses not meeting these definitions are classified as nonoperating.

M. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. Financing Fee Income

Fees associated with economic development loan programs and conduit debt transactions are recognized in operating income as they are received. Such fees will only be paid while the related debt is outstanding, therefore, they are subject to the risk that the debt will be repaid in advance of scheduled maturity.

O. Lease Accounting

The Alliance classifies leases at the inception of each lease in accordance with Governmental Accounting Standards Board (GASB) Statement No. 62, except for leases that are not recognized for accounting purposes under Interpretation No. 2 of the GASB, Disclosure of Conduit Debt Obligations, because they secure the repayment of conduit debt.

P. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability and net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension expense information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net positon 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.

Q. Implementation of New Accounting Principles

For the year ended December 31, 2021, the Alliance has implemented Governmental Accounting Standards Board (GASB) Statement No. 93, *Replacement of Interbank Offered Rates* and GASB Statement No. 98*, The Annual Comprehensive Financial Report.*

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of certain provisions (all except for paragraphs 13 and 14, which are effective for fiscal years beginning after June 15, 2021), of GASB Statement No. 93 did not have an effect on the financial statements of the Alliance.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the Alliance.

NOTE 2: CASH AND CASH EQUIVALENTS

State statues classify monies held by the Alliance into three categories.

Active monies are public deposits necessary to meet the demands on the treasury. Such monies must be maintained either as cash in the Alliance Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Alliance has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

Interim monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation 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 any other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool (STAR Ohio).

7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days and two hundred and seventy days, respectively from the purchase date in any amount not to exceed 40 percent of the interim monies available for investment at any one time; and

8. Written purchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

Deposits - At year-end 2021, $392,223 of the Alliance's bank balance of $671,481 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the Alliance's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the Alliance to a successful claim by the FDIC.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021
Capital Assets Not Being Depreciated:				
Land	$ 2,298,779	$ -	$ -	$ 2,298,779
Construction in Progress	-	767,467	-	767,467
Total Capital Assets, Not Being Depreciated	2,298,779	767,467	-	3,066,246
Capital Assets, Being Depreciated:				
Buildings and Improvements	8,975,649	131,384	-	9,107,033
Land Improvements	16,365	-	-	16,365
Vehicles	123,001	15,480	(36,000)	102,481
Office Equipment	85,014	-	-	85,014
Total Capital Assets, Being Depreciated	9,200,029	146,864	(36,000)	9,310,893
Less Accumulated Depreciation:				
Buildings and Improvements	(2,584,020)	(254,562)	-	(2,838,582)
Land Improvements	(16,365)	-	-	(16,365)
Vehicles	(123,001)	(1,548)	36,000	(88,549)
Office Equipment	(52,044)	(6,182)	-	(58,226)
Total Accumulated Depreciation	(2,775,430)	(262,292)	36,000	(3,001,722)
Total Capital Assets Being Depreciated, Net	6,424,599	(115,428)	-	6,309,171
Total Business-Type Activities Capital Assets, Net	$ 8,723,378	$ 652,039	$ -	$ 9,375,417

NOTE 4: DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Asset

Pensions and OPEB are components 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 net pension liability and the net OPEB asset represent the Alliance'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 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.

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* and *net OPEB liability (asset)*. Any liability for the contractually-required pension/OPEB contributions outstanding at the end of the year is included in intergovernmental payable.

The remainder of this note includes the pension disclosures. See Note 5 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Alliance employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. While members (e.g. Alliance employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the 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 were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

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

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

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Alliance's contractually required contribution was $34,875 for 2021. Of this amount, $10,905 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPERS total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The Alliance's proportion of the net pension liability was based on the Alliance's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportion of the Net Pension Liability:	
Current Measurement Period	0.001659%
Prior Measurement Period	0.001529%
Change in Proportion	0.000130%
Proportionate Share of the Net Pension Liability	$ 245,662
Pension Expense	$ (88,350)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2021, the Alliance reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes in Proportionate Share and Differences in Contributions	$ 17,900
Alliance Contributions Subsequent to the Measurement Date	34,875
Total Deferred Outflows of Resources	$ 52,775
Deferred Inflows of Resources	
Differences between Expected and Actual Experience	$ 10,276
Net Difference between Projected and Actual Earnings on Pension Plan Investments	95,751
Changes in Proportionate Share and Differences in Contributions	47,662
Total Deferred Inflows of Resources	$ 153,689

$34,875 reported as deferred outflows of resources related to pension resulting from Alliance contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. 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
2022	$ (76,210)
2023	(7,489)
2024	(39,030)
2025	(13,060)
Total	$ (135,789)

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, 2020, using the following key actuarial assumptions and methods applied to all prior 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, 2020 are presented below.

Actuarial Information	Traditional Pension Plan
Wage Inflation	3.25 percent
Future Salary Increases, including wage inflation	3.25 percent to 10.75 percent (including wage inflation)
Investment Rate of Return	
Current Measurement Date	7.20 percent
Prior Measurement Date	7.20 percent
Actuarial Cost Method	Individual Entry Age
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3.00 percent Simple Post-1/7/2013 Retirees: 0.50 percent Simple through 2021, then 2.15 percent Simple

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.
The most recent experience study was completed for the five year period ended December 31, 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic 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, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other Investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Alliance's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Alliance's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent and the Alliance's proportionate share of the net pension liability if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Alliance's Proportionate Share of the Net Pension Liability	$ 468,601	$ 245,662	$ 60,288

Changes between Measurement Date and Report Date During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 percent along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

NOTE 5: DEFINED BENEFIT OPEB

See Note 4 for a description of the net OPEB asset.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Alliance's contractually required contribution was $0 for 2021.

OPEB Asset, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB asset for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Alliance's proportion of the net OPEB asset was based on the Alliance'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
Proportion of the Net OPEB asset:		
Current Measurement Period		0.002510%
Prior Measurement Period		0.002307%
Change in Proportion		0.000203%
Proportionate Share of the Net OPEB asset	$	44,718
OPEB Expense	$	(315,676)

At December 31, 2021, the Alliance reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		OPERS
Deferred Outflows of Resources		
Changes of Assumptions	$	21,984
Changes in Proportionate Share and Differences in Contributions		17,137
Total Deferred Outflows of Resources	$	39,121
Deferred Inflows of Resources		
Differences between Expected and Actual Experience	$	40,359
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		23,819
Changes of Assumptions		72,456
Changes in Proportionate Share and Differences in Contributions		32,843
Total Deferred Inflows of Resources	$	169,477

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
2022	$	(82,218)
2023		(34,982)
2024		(10,348)
2025		(2,808)
	$	(130,356)

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 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, 2019, rolled forward to the measurement date of December 31, 2020. 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	3.25 percent
Projected Salary Increases, Including Inflation	3.25 to 10.75 percent, including wage inflation
Single Discount Rate:	
Current Measurement Date	6.00 percent
Prior Measurement Date	3.16 percent
Investment Rate of Return:	
Current Measurement Date	6.00 percent
Prior Measurement Date	6.00 percent
Municipal Bond Rate:	
Current Measurement Date	2.00 percent
Prior Measurement Date	2.75 percent
Health Care Cost Trend Rate:	
Current Measurement Date	8.5 percent, initial, 3.50 percent, ultimate in 2035
Prior Measurement Date	10.5 percent, initial, 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

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

The most recent experience study was completed for the five year period ended December 31, 2015.

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other Investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the total OPEB asset on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Alliance's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the Alliance's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent and the Alliance's proportionate share of the net OPEB asset if it were calculated using a discount rate that is one percent lower (5.00 percent) or one percent higher (7.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Alliance's Proportionate Share of the Net OPEB (Asset)	$ (11,119)	$ (44,718)	$ (72,338)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
Alliance's Proportionate Share of the Net OPEB (Asset)	$ (45,808)	$ (44,718)	$ (43,498)

Changes between Measurement Date and Report Date During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

NOTE 6: RISK MANAGEMENT

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

The Alliance has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions
- General liability and casualty

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

The Alliance also provided health insurance and vision coverage to full-time employees through the Tuscarawas County Healthcare Consortium.

NOTE 7: RECEIVABLES

Receivables at December 31, 2021 consisted of accounts (billings for user charged rents) and loans receivable. All receivables are deemed collectible in full.

In 2016, the Alliance entered into a loan agreement with Extreme Trailers, LLC for $179,400. The monies were used to purchase equipment in the AK Steel building. The monthly payments were deferred until January 1, 2017. In 2017 Extreme Trailers, LLC made up the six payments from 2016. Monthly installments are to begin January 1, 2017 in the amount of $3,263.60 with an interest rate of 3.5 percent. Final payment will be due June 1, 2022.

In 2019, the Alliance entered into a loan agreement with Extreme Trailers LLC for $58,093. This loan is for utilities from the prior year that the Alliance had paid on behalf of Extreme Trailers LLC. Monthly payments were scheduled to begin in 2020, however have been delayed due to the pandemic. The monthly payments of $968 are to begin on January 1, 2022 with the final payment due December 1, 2026.

Loans receivable activity for the year ended December 31, 2021 was as follows:

	Outstanding 1/1/2021	Additions	Reductions	Outstanding 12/31/2021	Amount to be Received In One Year
Extreme Trailers - 3.5%	$ 57,149	$ -	$ (57,149)	$ -	$ -
Extreme Trailers - 0.0%	58,093	-	-	58,093	11,619
Total	$ 115,242	$ 0	$ (57,149)	$ 58,093	$ 11,619

The annual requirements to retire the receivable are as follows:

Year	Loans Receivable Principal
2022	$ 11,619
2023	11,619
2024	11,619
2025	11,618
2026	11,618
Totals	$ 58,093

NOTE 8: NOTE PAYABLE

The Alliance had a revolving line of credit up to $150,000 with first National Bank of Dennison. The line of credit was not used in 2021.

NOTE 9: LONG-TERM OBLIGATIONS

Changes in long-term obligations of the Alliance during the year ended December 31, 2021 consisted of the following:

	Outstanding 1/1/2021	Additions	Reductions	Outstanding 12/31/2021	Amounts Due In One Year
Direct Borrowings:					
Loans Payable - First National Bank of Dennison	$ 732,804	$ -	$ (732,804)	$ -	$ -
Loans Payable - First National Bank of Dennison	989,496	-	(110,067)	879,429	101,604
Loans Payable - First National Bank of Dennison	1,237,879	-	(44,942)	1,192,937	43,826
Loans Payable - First National Bank of Dennison	109,243	-	(29,113)	80,130	30,799
Loans Payable - First National Bank of Dennison	-	1,372,793	(10,545)	1,362,248	126,543
Total Direct Borrowings	3,069,422	1,372,793	(927,471)	3,514,744	302,772
Net Pension Liability	620,874	-	(375,212)	245,662	-
Total Long Term Obligations	3,690,296	$ 1,372,793	$ (1,302,683)	$ 3,760,406	$ 302,772

There is no repayment schedule for the net pension liability; however, employer pension contributions are primarily made from the operating fund. For additional information related to the net pension liability see Note 4.

On May 22, 2015 the Alliance entered into two loans with First Federal National Bank of Dennison. The first was for $1,524,000 the other was for $1,016,000. The proceeds were used to repay J. P. Morgan Chase Bank. These loans bear variable interest rates that may change periodically. Both loans will mature on June 1, 2030.

In 2019, the Alliance entered into loans with the First National Bank of Dennison. One for $1,296,000 with a variable interest rate and a maturity date of June 1, 2039. The other loan was for $150,000 with a variable interest rate and a maturity date of June 12, 2024. The proceeds of the loans were used to purchase a warehouse.

In 2021, the Alliance entered a loan with the First National Bank of Dennison for $1,475,325 with an interest rate of 3.45 percent and a maturity date of October 22, 2036. The proceeds of the loan were used a roofing project. As of December 31, 2021 $1,372,793 had been drawn on the loan.

In the event of default, as defined by each of the loan agreements, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the Alliance to pay any fines or penalties incurred with interest.

The annual requirements to retire debt are as follows:

	Loans Payable	
Year	Principal	Interest
2022	$ 302,772	$ 133,242
2023	306,741	121,816
2024	293,135	111,240
2025	278,627	101,591
2026	281,315	91,449
2027-2031	1,315,575	302,401
2032-2036	500,424	118,223
2037-2039	236,155	15,602
Totals	$ 3,514,744	$ 995,564

NOTE 10: OPERATING LEASES – LESSOR DISCLOSURE

The Alliance leases building space under leases that are considered non-cancelable by either party. A summary of the cost and carrying value of each asset and the amount of lease payments that came due during the period (including outstanding amounts) is summarized below. As of December 31, 2021, the Alliance had no outstanding lease payments; therefore, no accounts receivable, attributed to this lease, are reported within the basic financial statements.

Leased Asset	Asset Cost	Accumulated Depreciation	Carrying Value
Reeves Mills Business Park	$ 8,778,600	$ 2,746,242	$ 6,032,358

The following is a schedule of future long-term lease payments required under the operating leases as of December 31, 2021:

		Operating Lease
Year Ending December 31,	2022	$ 898,018
	2023	895,018
	2024	896,411
	2025	903,376
	2026	873,391
	2027-2031	2,989,250
Total Lease Payments		$7,455,464

NOTE 11: CONCENTRATION OF CREDIT RISK

The Alliance maintains its activities within the Tuscarawas County, Ohio geographical area. The performance of its operational activities will be dependent on the performance of its tenants. The results of these companies and the operations of the Alliance projects may be dependent on the economical conditions of the local trade area.

NOTE 12: RELATED PARTIES

Tuscarawas County Economic Development Corporation

On October 31, 2019, the Tuscarawas County Economic Development Corporation (TCEDC), a 501(c)3 non-profit organization, was formed to maximize the development and utilization of the human and economic resources of Tuscarawas County in order to create or preserve jobs and development opportunities and to improve the welfare of the people of the County. The TCEDC provides management services to the Alliance.

NOTE 13: CONDUIT DEBT OBLIGATIONS

In 2018, the Alliance issued conduit bonds with Huntington National Bank in the amount of $18,500,000 to provide financial assistance to Provia, LLC. The monies were used for the building of facilities. The Alliance has no obligation for the repayment of this debt. The promissory note is not indebtedness of the Alliance and is therefore not reported on the Alliance’s statement of net position.

NOTE 14: SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Alliance. The impact on the Alliance’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated

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Economic Development & Finance Alliance
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the Alliance's Proportionate Share of the Net Pension Liability
Last Eight Years (1)

	2021	2020	2019	2018
Ohio Public Employees' Retirement System (OPERS)				
Alliance's Proportion of the Net Pension Liability	0.001659%	0.001529%	0.0025420%	0.0028914%
Alliance's Proportionate Share of the Net Pension Liability	$ 245,662	$ 302,217	$ 696,202	$ 453,604
Alliance's Covered Payroll	$ 233,600	$ 215,164	$ 345,036	$ 382,100
Alliance's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.16%	140.46%	201.78%	118.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

2017	2016	2015	2014
0.0029845%	0.0026520%	0.0029840%	0.0029840%
$ 677,727	$ 459,360	$ 359,904	$ 351,775
$ 395,400	$ 345,192	$ 365,825	$ 309,900
171.40%	133.07%	98.38%	113.51%
77.25%	81.08%	86.45%	86.36%

See accompanying notes to the required supplementary information.

Economic Development & Finance Alliance
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the Alliance's Contributions - Pension
Last Nine Years

	2021	2020	2019	2018
Ohio Public Employees' Retirement System (OPERS)				
Contractually Required Contribution	$ 34,875	$ 32,704	$ 30,123	$ 48,305
Contributions in Relation to the Contractually Required Contribution	(34,875)	(32,704)	(30,123)	(48,305)
Contribution Deficiency (Excess)	$ -	$ -	$ 0	$ 0
Alliance's Covered Payroll	$ 249,107	$ 233,600	$ 215,164	$ 345,036
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

(n/a) Information prior to 2013 is not available.

See accompanying notes to the required supplementary information.

2017	2016	2015	2014	2013
$ 49,673	$ 47,448	$ 41,423	$ 43,889	$ 40,287
(49,673)	(47,448)	(41,423)	(43,889)	(40,287)
$ 0	$ 0	$ 0	$ 0	$ 0
$ 382,100	$ 395,400	$ 345,192	$ 365,825	$ 309,900
13.00%	12.00%	12.00%	12.00%	13.00%

See accompanying notes to the required supplementary information.

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Economic Development & Finance Alliance
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the Alliance's Proportionate Share of the Net OPEB Liability (Asset)
Last Five Years (1)

	2021	2020	2019	2018	2017
Ohio Public Employees' Retirement System (OPERS)					
Alliance's Proportion of the Net OPEB Liability (Asset)	0.002510%	0.002307%	0.0033640%	0.0035736%	0.0036540%
Alliance's Proportionate Share of the Net OPEB Liability (Asset)	$ (44,718)	$ 318,657	$ 438,586	$ 388,063	$ 369,066
Alliance's Covered Payroll	$ 233,600	$ 215,164	$ 345,036	$ 506,179	$ 514,520
Alliance's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-19.14%	148.10%	127.11%	76.67%	71.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	115.57%	47.80%	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

Economic Development & Finance Alliance
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the Alliance's Contributions - OPEB
Last Six Years

	2021	2020	2019	2018
Ohio Public Employees' Retirement System (OPERS)				
Contractually Required Contribution	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Alliance's Covered Payroll (1)	$ 249,107	$ 233,600	$ 215,164	$ 489,693
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(n/a) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.
(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

See accompanying notes to the required supplementary information.

2017	2016
$ 3,821	$ 7,908
(3,821)	(7,908)
$ -	$ -
$ 506,179	$ 514,520
0.75%	1.54%

See accompanying notes to the required supplementary information.

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

Discount Rate:

Calendar year 2021	6.90 percent
Calendar year 2020	7.20 percent
Calendar year 2019	7.20 percent
Calendar year 2018	7.50 percent
Calendar year 2017	8.00 percent

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. The following reductions were also made to the actuarial assumptions:

- Wage inflation rate from 3.75 percent to 3.25 percent
- Price inflation from 3.00 percent to 2.50 percent

Changes in Benefit Terms – OPERS

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from three percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Discount Rate:

Calendar year 2021	6.00 percent
Calendar year 2020	3.16 percent
Calendar year 2019	3.96 percent
Calendar year 2018	3.85 percent
Calendar year 2017	4.23 percent

Municipal Bond Rate:

Calendar year 2021	2.00 percent
Calendar year 2020	2.75 percent
Calendar year 2019	3.71 percent
Calendar year 2018	3.31 percent

Health Care Cost Trend Rate:

Calendar year 2021	8.50 percent

Calendar year 2020	10.50 percent
Calendar year 2019	10.00 percent
Calendar year 2018	7.50 percent

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple

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

Economic Development and Finance Alliance
Tuscarawas County
339 Oxford Street
Dover, Ohio 44622

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Economic Development and Finance Alliance, Tuscarawas County, Ohio (the Alliance) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Alliance's basic financial statements and have issued our report thereon dated August 28, 2023. We noted the Alliance implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* for 2022. We did not modify our opinions regarding this matter.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

However, we noted a certain other matter not requiring inclusion in this report that we reported to the Alliance's management in a separate letter dated August 28, 2023.

Purpose of this Report

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

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
August 28, 2023

OHIO AUDITOR OF STATE
KEITH FABER

ECONOMIC DEVELOPMENT AND FINANCE ALLIANCE OF TUSCARAWAS COUNTY

TUSCARAWAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 12/19/2023

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