



OHIO AUDITOR OF STATE
KEITH FABER



**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
SUMMIT COUNTY
DECEMBER 31, 2023**

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**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
SUMMIT COUNTY
DECEMBER 31, 2023**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Summit and Medina Workforce Area Council of Governments
Summit County
175 S. Main Street
Suite 204
Akron, Ohio 44308

To the Board:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Summit and Medina Workforce Area Council of Governments, Summit County, Ohio (COG), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the COG's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Summit and Medina Workforce Area Council of Governments, Summit County, Ohio as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the COG, 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.

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 COG'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 COG'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 COG's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2024, on our consideration of the COG'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 COG'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 COG's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 12, 2024

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**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

The discussion and analysis of the Summit and Medina Workforce Area Council of Governments' (the "COG") financial performance provides an overall review of the COG's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the COG's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the COG's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position was a deficit of \$1,072,314 at December 31, 2023. This represents an increase of the deficit of \$254,535, or 31.13%, from December 31, 2022.
- Governmental activities program revenues, in the form of grants and contributions, accounted for \$5,277,642 or 86.31% of total governmental revenues. General revenues accounted for \$836,816 or 13.69% of total governmental revenues of \$6,114,458.
- The COG had \$6,368,993 in expenses related to governmental activities. Program revenues were not adequate to provide for these programs.
- The COG's only major fund is the general fund. The general fund had total revenues of \$6,131,732 and total expenditures of \$6,129,672. The general fund's fund balance increased \$2,060 from a deficit balance of \$754,187 to a deficit balance of \$752,127.

Using the Basic Financial Statements (BFS)

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

The statement of net position and statement of activities provide information about the activities of the whole COG, presenting both an aggregate view of the COG's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the COG's most significant funds with all other nonmajor funds presented in total in one column. In the case of the COG, the general fund is by far the most significant fund, as it's the only governmental fund.

Reporting the COG as a Whole

Statement of Net Position and the Statement of Activities

This document looks at all financial transactions and asks the question, "How did the COG do financially during fiscal year 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

These two statements report the COG's net position and changes in net position. This change in net position is important because it tells the reader that, for the COG as a whole, the financial position of the COG has improved or diminished.

All of the COG's programs and services are reported as governmental activities in the statement of net position and the statement of activities. Governmental activities consist of functions that are primarily supported by intergovernmental revenues. Activities include U.S. Department of Labor Workforce Innovation and Opportunity Act programs (Adult, Dislocated Worker, Youth, Rapid Response, and Administration) and other funding streams, as available.

Reporting the COG's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the COG's major fund. The COG has only one fund to account for a multitude of financial transactions. The COG's major governmental fund is the general fund.

Governmental Funds

All of the COG's activities are reported in a governmental fund, which focus on how money flows into and out of it and the balances left at year end available for spending in future periods. The fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the COG's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance its programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental fund is reconciled in the basic financial statements.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the COG's net pension liability/asset and net Other Post-Employment Benefits (OPEB) liability.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

The table below provides a summary of the COG's net position at December 31, 2023 and 2022.

	Net Position	
	Governmental Activities 2023	Governmental Activities 2022
<u>Assets</u>		
Current and other assets	\$ 396,663	\$ 458,391
Capital assets, net	<u>5,581,796</u>	<u>6,073,860</u>
Total assets	<u>5,978,459</u>	<u>6,532,251</u>
<u>Deferred Outflows of Resources</u>		
Pensions	308,785	127,406
OPEB	<u>46,693</u>	<u>16,148</u>
Total deferred outflows of resources	<u>355,478</u>	<u>143,554</u>
<u>Liabilities</u>		
Current liabilities	931,477	868,348
Long-term liabilities:		
Due within one year	394,649	383,824
Due in more than one year:		
Net pension liability	475,890	104,231
Net OPEB liability	13,928	-
Other amounts	<u>5,578,346</u>	<u>5,911,763</u>
Total liabilities	<u>7,394,290</u>	<u>7,268,166</u>
<u>Deferred Inflows of Resources</u>		
Pensions	7,367	159,370
OPEB	<u>4,594</u>	<u>66,048</u>
Total deferred inflows of resources	<u>11,961</u>	<u>225,418</u>
<u>Net Position</u>		
Net investment in capital assets	(311,179)	(148,290)
Restricted for Pension	51,703	-
Unrestricted (deficit)	<u>(812,838)</u>	<u>(669,489)</u>
Total net position	<u>\$ (1,072,314)</u>	<u>\$ (817,779)</u>

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

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability/asset to equal the COG'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 COG is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the COG's net position totaled a deficit of \$1,072,314.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Current assets decreased due to a decrease in the net pension and net OPEB asset. The COG reports its portion of the pension’s system overall net pension/OPEB asset. Current liabilities increased primarily due to an increase in accounts payable for expenses incurred during the year, but not paid until after the year end.

Total long-term liabilities increased from the prior year, due to an increase in the net pension liability due to changes in the market.

The net pension liability for governmental activities increased approximately \$300,000, deferred outflow of resources related to pension increased approximately \$200,000 and deferred inflows of resources related to pension decreased approximately \$200,000. These changes were the result of changes at the pension system level for Ohio Public Employees Retirement System (OPERS). Primarily, net investment income on investments at the pension system were negative for the 2022 measurement date that are used for the 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous year’s large positive investment returns.

On December 31, 2023, capital assets include intangible right to use leased buildings. The COG’s net investment in capital assets as of December 31, 2023, was a deficit of \$311,179.

The COG does have net position that represents resources that are subject to external restriction on how they may be used. The COG’s restricted net position is \$51,703. The COG’s unrestricted net position is deficit of \$812,838.

The table below shows the changes in net position for 2023 and 2022.

Change in Net Position

	<u>2023</u>	<u>2022</u>
<u>Revenues:</u>		
Program revenues:		
Operating grants	\$ 5,277,642	\$ 5,555,873
General revenues:		
Other	836,816	444,920
Total revenues	<u>6,114,458</u>	<u>6,000,793</u>
<u>Expenses:</u>		
Human services:		
Employment and training program	6,092,622	5,678,266
Interest and fiscal charges	<u>276,371</u>	<u>318,368</u>
Total expenses	<u>6,368,993</u>	<u>5,996,634</u>
Change in net position	(254,535)	4,159
Net position at beginning of year	<u>(817,779)</u>	<u>(821,938)</u>
Net position at end of year	<u>\$ (1,072,314)</u>	<u>\$ (817,779)</u>

The COG relies upon grant revenues from the State of Ohio and the federal government to support its programs. Operating grants and other revenues increased due to receiving more money from outside entities. The increase in funding lead to the COG spending more money on its various programs.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Overall, expenses of the governmental activities increased approximately \$400,000. This increase is primarily the result of an increase in pension expense. Pension expense increased \$146,570. This increase was the result of an increase in expenses incurred at the pension system level for Ohio Public Employees Retirement System (OPERS) due to a decrease in net investment income on investments compared to previous years.

General Fund

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

As of the end of the current year, the COG's general fund reported an ending deficit fund balance of \$752,127. This is a decrease of the deficit of \$2,060, or 0.27% from the prior year. The general fund had \$6,131,732 in revenues and \$6,129,672 in expenditures. As the COG only has one governmental fund, the analysis from a fund perspective is similar to the analysis already presented on a government-wide basis, exclusive of generally accepted accounting principle differences between the two sets of statements which are highlighted in the reconciliations and notes to the financial statements.

General Fund Budgeting Highlights

The COG's annual budget is primarily a management tool that assists its users in analyzing financial activity for its fiscal year. The COG's annual budget is not prescribed by Ohio Revised Code or subject to formal budget commission procedures.

Capital Assets

At December 31, 2023, the COG had \$5,581,796 of capital assets net of accumulated amortization. The COGs only capital assets are intangible right to use leased buildings. See Note 13 to the basic financial statements for further detail.

Debt Obligations

At December 31, 2023, the COG had \$5,892,975 in long term leases payable. See Note 9 to the basic financial statements for further detail.

Contacting the COG's Financial Management

This financial report is designed to provide our members, customers, investors and creditors with a general overview of the COG's finances and to show the COG's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Christine Marshall, Executive Director, 175 South Main Street, Suite 204, Akron, Ohio 44308.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	<u>Governmental Activities</u>
Assets:	
Receivables:	
Accounts	\$ 153,430
Intergovernmental	144,169
Prepayments	47,361
Net pension asset	51,703
Capital assets:	
Amortized capital assets, net	<u>5,581,796</u>
Total capital assets, net	<u>5,581,796</u>
 Total assets	 <u>5,978,459</u>
Deferred outflows of resources:	
Pension	308,785
OPEB	<u>46,693</u>
Total deferred outflows of resources	<u>355,478</u>
Liabilities:	
Accounts payable	421,898
Accrued wages and benefits payable	15,797
Intergovernmental payable	75,736
Accrued interest payable	24,554
Due to fiscal agent	393,492
Long-term liabilities:	
Due within one year	394,649
Due in more than one year	
Net pension liability	475,890
Net OPEB liability	13,928
Other amounts due in more than one year	<u>5,578,346</u>
Total liabilities	<u>7,394,290</u>
Deferred inflows of resources:	
Pension	7,367
OPEB	<u>4,594</u>
Total deferred inflows of resources	<u>11,961</u>
Net position:	
Net investment in capital assets	(311,179)
Restricted for:	
Pension	51,703
Unrestricted (deficit)	<u>(812,838)</u>
Total net position (deficit)	<u>\$ (1,072,314)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:			
Human Services:			
Employment and Training Program	\$ 6,092,622	\$ 5,277,642	\$ (814,980)
Interest and fiscal charges	276,371	-	(276,371)
Total governmental activities	<u>\$ 6,368,993</u>	<u>\$ 5,277,642</u>	<u>(1,091,351)</u>
General revenues:			
Miscellaneous			<u>836,816</u>
Change in net position			(254,535)
Net position (deficit) at beginning of year			<u>(817,779)</u>
Net position (deficit) at end of year			<u>\$ (1,072,314)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2023

	General
Assets:	
Receivables:	
Accounts	\$ 153,430
Intergovernmental	144,169
Prepayments	47,361
Total assets	\$ 344,960
Liabilities:	
Accounts payable	\$ 421,898
Accrued wages and benefits payable	15,797
Intergovernmental payable	75,736
Due to Fiscal Agent	393,492
Total liabilities	906,923
Deferred inflows of resources:	
Intergovernmental revenue not available	127,471
Non-governmental reimbursement revenue not available	62,693
Total deferred inflows of resources	190,164
Fund balances:	
Nonspendable	47,361
Unassigned (deficit)	(799,488)
Total fund balances (deficit)	(752,127)
Total liabilities, deferred inflows of resources and fund balances	\$ 344,960

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balance (deficit)		\$	(752,127)
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			5,581,796
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.			
Intergovernmental receivable	127,471		
Non governmental reimbursement receivable	<u>62,693</u>		
			190,164
On the statement of net position interest is accrued on outstanding bonds and loans payable, whereas in the governmental funds, interest is accrued when due.			(24,554)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/ outflows are not reported in the governmental funds:			
Deferred outflows of resources - pension	308,785		
Deferred inflows of resources - pension	(7,367)		
Net pension asset	51,703		
Net pension liability.	<u>(475,890)</u>		
Total			(122,769)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/ outflows are not reported in the governmental funds:			
Deferred outflows of resources - OPEB	46,693		
Deferred inflows of resources - OPEB	(4,594)		
Net OPEB liability.	<u>(13,928)</u>		
Total			28,171
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences	(80,020)		
Lease payable	<u>(5,892,975)</u>		
Total			<u>(5,972,995)</u>
Net position (deficit) of governmental activities		\$	<u>(1,072,314)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	General
Revenues:	
Intergovernmental	\$ 5,250,689
Other	881,043
Total revenues	6,131,732
Expenditures:	
Current:	
Human Services:	
Employment and Training Program	5,522,754
Debt service:	
Principal retirement	329,175
Interest and fiscal charges	277,743
Total expenditures	6,129,672
Net change in fund balance	2,060
Fund balance (deficit) at beginning of year	(754,187)
Fund balance (deficit) at end of year	\$ (752,127)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balance - total governmental fund	\$	2,060
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which amortization expense exceeds capital outlay in the current period.		
Current year amortization		(492,064)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental revenues	26,953	
Non governmental reimbursement revenues	(44,227)	
Total		(17,274)
Repayment of lease payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		329,175
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
(Increase) in accrued interest payable		1,372
Contractually required pension contributions are reported as expenditures in the funds; however, the statement of net position reports these amounts as deferred outflows.		
		61,558
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability/asset are reported as pension expense in the statement of activities.		
		(146,923)
Contractually required OPEB contributions are reported as expenditures in the funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,517
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB asset are reported as OPEB expense in the statement of activities.		
		12,627
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(6,583)
Change in net position of governmental activities	\$	(254,535)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The Workforce Innovation and Opportunity Act of 2014 (“WIOA”) is a federally funded program that provides employment and job training services to eligible adults, dislocated workers and youth. The United States Department of Labor (DOL) is the federal agency responsible for the program. The Ohio Department of Job and Family Services (ODJFS) is the oversight agency for the State of Ohio. The ODJFS has designated Summit and Medina Counties as Local Workforce Area 2 (Area 2) for the purposes of providing services under WIOA.

The WIOA envisions a workforce development system that is focused on job seekers, businesses and the needs of regional economics, and requires workforce development boards and chief elected officials to design and govern the system regionally, aligning workforce policies and services with regional economics and supporting service delivery strategies tailored to those needs. Area 2 administers Summit and Medina County workforce development activities.

Summit and Medina Workforce Area Council of Governments (the “COG”) was established in accordance with Ohio Revised Code 167 to provide the governance structure for the Area 2 to carry out its mandated functions of planning, contracting and assessing workforce development programs and to more clearly establish that local elected officials have ultimate responsibility for the WIOA funds.

Summit and Medina Counties are the sole members of the COG. Each county has a single seat of representation on the COG’s Board. The primary representative serving in these seats shall be one of the Medina County Commissioners and the Summit County Executive.

In accordance with the 2023/24 Subgrant Agreement by and between ODJFS and Area 2, the Summit County Department of Finance and Budget is designated by the COG as the Fiscal Agent for the purposes of administration and disbursement of WIOA funds. The Summit County Department of Job and Family Services (SCDJFS), an agency that is under the governance of the County Executive and the Summit County Council, serves as a sub-fiscal agent for Area 2, paying invoices as approved by the COG office and producing budget reports for both the Area’s Workforce Development (WDB) and COG Boards. A system of two fiscal agents was created to provide for checks and balances, due foremost to SCDJFS serving as the One-Stop Operator for Area 2’s OhioMeansJobs Summit County center. Additionally, it intends to prevent any conflicts of interest with the State of Ohio’s creation of the Comprehensive Case Management Employment Program (CCMEP) which requires a local Area WDB designate that its WIOA youth funds can be used for implementation of CCMEP by a CCMEP Lead Agency for which SCDJFS was named by the Summit County Executive.

The reporting entity has been defined in accordance with GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the COG are not misleading. On this basis, no governmental organizations other than the COG itself are included in the financial reporting entity. The COG is considered a component unit of Summit County for reporting purposes.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the COG 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 more significant of the COG's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the COG as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the COG that are governmental and those that are considered business-type. The COG, however, does not have business-type activities.

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

Fund Financial Statements - During the year, the COG segregates transactions related to certain COG functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the COG at this more detailed level. The COG only has one fund, the general fund.

B. Fund Accounting

Governmental Funds - Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following is the COG's only governmental fund:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to COG for any purpose provided it is expended or transferred according to the general laws of Ohio.

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using 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 COG are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in net position.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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SUMMIT COUNTY, OHIO**

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

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

Fund Financial Statements - The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between governmentwide statements and the statements for the governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The general fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

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

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

Under the modified accrual basis, interest and grants revenue sources are considered to be both measurable and available at year-end.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. See Notes 7 and 8 for deferred outflows of resources related to net pension liability/asset and net OPEB liability, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

See Notes 7 and 8 for deferred inflows of resources related to net pension liability/asset and net OPEB liability, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

E. Budgetary Data

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

The budgetary process that is followed by the COG is for control purposes and is set forth in its Control Policies. The annual organizational budget must be completed at least thirty days prior to the end of the preceding fiscal year and approved by the Board of Directors no later than the end of the preceding fiscal year. In the absence of an annual organizational budget, the Executive Director lacks the authority and the official capacity to make any financial decisions for the organization.

F. Cash and Cash Equivalents

The Summit County Fiscal Officer is the custodian for the COG's cash. The COG's assets are held in Summit County's cash and investment pool and are valued at the County's reported carrying amount.

G. Capital Assets

The COG does not own any capital assets. All capital assets used by the COG are owned by either Summit or Medina County.

The COG does report intangible right to use assets related to leased buildings. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset (5 – 15 years).

H. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the COG has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rate at year end, taking into consideration any limits specified in the COG's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements.

I. Prepaids

Amounts recorded for prepaid items represent the unamortized portion of insurance policies that expire in 2023 or later. Governmental funds use the purchase method of accounting whereby insurance is recognized as an expenditure when purchased.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

J. Pensions/Other Postemployment Benefits (OPEB)

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

K. Accrued Liabilities and Long-Term Obligations

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

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund. However, compensated absences are reported as a liability in the fund financial statements only to the extent payments come due each period upon the occurrence of employee resignations and retirements. Net pension liability is recognized in the governmental funds 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.

L. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the COG classifies its fund balance based on the purpose for which the resources were received, and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the COG for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by COG. The COG may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

M. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The COG's net investment in capital assets consists of capital assets, net of accumulated amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. 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 COG applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Estimates

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

NOTE 3 - FUND BALANCE

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the COG is bound to observe constraints imposed upon the use of the resources in the governmental fund. At year-end, the COG reported \$47,361 in nonspendable fund balance related to prepaid assets and the remaining unassigned fund balance was a deficit of \$799,488.

NOTE 4 - DEPOSITS AND INVESTMENTS

The Summit County Fiscal Officer maintains a cash pool used by all of the Summit County's funds, including those of the COG. The Ohio Revised Code prescribes allowable deposits and investments. Summit County, as the fiscal agent, is responsible for maintaining adequate depositor collateral for all funds in the County's pooled cash and deposit accounts.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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SUMMIT COUNTY, OHIO**

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

NOTE 5 - RECEIVABLES

Receivables at December 31, 2023, consisted of intergovernmental receivables and accounts receivable.

Intergovernmental receivables represent amounts due the COG from the Ohio Department of Jobs and Family Services for grant funds earned but not received and for Memorandum of Understanding (MOU) receipts due the COG from government agency MOU Partners. Accounts receivable represent MOU receipts due the COG from non-government agency MOU Partners.

MOU receipts are reimbursements from MOU Partners (both government agency partners and non-government agency partners) for operation of both the Medina and Summit OhioMeansJobs Centers and are calculated based upon Full Time Equivalent (FTE) count and actual expenses.

All receivables are considered fully collectible and expected to be received within one year.

NOTE 6 - COMPENSATED ABSENCES

Vacation is accumulated at varying rates ranging from two to five weeks per year depending on length of service. Accumulated vacation may be carried over into the next year. However, the maximum amount allowed to carry forward is three times the employee's annual accrual rate, which is based on years of service. However, unused vacation at the time of retirement or termination of employment cannot exceed three times the annual accrual rate.

This maximum payment of accumulated vacation time would be equal to 600 hours. All employees earn sick leave at the rate of 4.6 hours for each 80 hours of work completed. Sick leave vests with 10 years' service at age 60, 25 years' service at age 55 or 30 years' service at any age. Although the sick leave vests as noted above, the COG records a liability for sick leave for all employees with service time of more than 14 years (including prior service with other governmental agencies). Employees are paid at one-half of the accumulated sick time up to a maximum payment equal to 720 hours. All sick leave and vacation payments are made at employees' current wage rates.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability

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

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

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

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The remainder of this note includes the pension disclosures. See Note 8 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>State and Local</u>
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2023 Actual Contribution Rates	
Employer:	
Pension ****	14.0 %
Post-employment Health Care Benefits ****	0.0
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

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

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

The COG's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$61,558 for 2023. Of this amount, \$10,540 is reported as intergovernmental payable.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.00119800%	0.02484400%	0.00498100%	
Proportion of the net pension liability/asset current measurement date	<u>0.00161100%</u>	<u>0.02185100%</u>	<u>0.00258200%</u>	
Change in proportionate share	<u>0.00041300%</u>	<u>-0.00299300%</u>	<u>-0.00239900%</u>	
Proportionate share of the net pension liability	\$ 475,890	\$ -	\$ -	\$ 475,890
Proportionate share of the net pension asset	-	(51,501)	(202)	(51,703)
Pension expense	140,340	6,603	(20)	146,923

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2023, the COG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Deferred outflows of resources				
Differences between expected and actual experience	\$ 15,807	\$ 3,165	\$ 581	\$ 19,553
Net difference between projected and actual earnings on pension plan investments	135,644	18,769	96	154,509
Changes of assumptions	5,027	3,404	17	8,448
Changes in employer's proportionate percentage/ difference between employer contributions	64,717	-	-	64,717
Contributions subsequent to the measurement date	52,455	9,103	-	61,558
Total deferred outflows of resources	<u>\$ 273,650</u>	<u>\$ 34,441</u>	<u>\$ 694</u>	<u>\$ 308,785</u>
		<u>OPERS - Combined</u>		
Deferred inflows of resources				
Differences between expected and actual experience	\$ 7,367			
Total deferred inflows of resources	<u>\$ 7,367</u>			

\$61,558 reported as deferred outflows of resources related to pension resulting from COG contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2024.

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NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
2024	\$ 66,966	\$ 764	\$ 97	\$ 67,827
2025	47,857	3,455	105	51,417
2026	39,926	4,791	106	44,823
2027	66,446	8,077	117	74,640
2028	-	(30)	67	37
Thereafter	-	914	202	1,116
Total	\$ 221,195	\$ 17,971	\$ 694	\$ 239,860

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Future salary increases, including inflation

Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation

COLA or ad hoc COLA

Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple

Investment rate of return

Current measurement date	6.90%
Prior measurement date	6.90%

Actuarial cost method

Individual entry age

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NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2022 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
COG's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 712,868	\$ 475,890	\$ 278,767
Combined Plan	(26,877)	(51,501)	(71,016)
Member-Directed Plan	(129)	(202)	(258)

NOTE 8 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 7 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The COG's contractually required contribution was \$1,517 for 2023. Of this amount, \$260 is reported as intergovernmental payable.

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

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

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NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	OPERS
Proportion of the net OPEB liability/asset prior measurement date	0.00204100%
Proportion of the net OPEB liability current measurement date	<u>0.00220900%</u>
Change in proportionate share	<u>0.00016800%</u>
Proportionate share of the net OPEB liability	\$ 13,928
Proportionate share of the net OPEB expense	(12,627)

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NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2023, the COG reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred outflows of resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 27,664
Changes of assumptions	13,604
Changes in employer's proportionate percentage/ difference between employer contributions	3,908
Contributions subsequent to the measurement date	1,517
Total deferred outflows of resources	\$ 46,693

	OPERS
Deferred inflows of resources	
Differences between expected and actual experience	\$ 3,475
Changes of assumptions	1,119
Total deferred inflows of resources	\$ 4,594

\$1,517 reported as deferred outflows of resources related to OPEB resulting from COG contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2024.

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NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	OPERS
Year Ending December 31:	
2024	\$ 8,421
2025	10,173
2026	8,626
2027	13,362
Total	\$ 40,582

Actuarial Assumptions - OPERS

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

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

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NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Allocation	(Geometric)
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00 %</u>	

Discount Rate - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

	Current		
	1% Decrease	Discount Rate	1% Increase
COG’s proportionate share of the net OPEB liability/(asset)	\$ 47,405	\$ 13,928	\$ (13,696)

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
COG's proportionate share of the net OPEB liability	\$ 13,055	\$ 13,928	\$ 14,911

NOTE 9 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 87 (see Note 14 for detail), the COG has reported obligations for leases payable which are reflected in the schedule below. Changes in long-term obligations during the year ended December 31, 2023 consisted of the following:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Due within One Year
Compensated Absences	\$ 73,437	\$ 61,232	\$ (54,649)	\$ 80,020	\$ 60,799
Leases payable	6,222,150	-	(329,175)	5,892,975	333,850
Net Pension Liability	104,231	371,659	-	475,890	-
Net OPEB Liability	-	13,928	-	13,928	-
Total	\$ 6,399,818	\$ 446,819	\$ (383,824)	\$ 6,462,813	\$ 394,649

Net Pension Liability - The COG's net pension liability is described in Note 7. The COG pays obligations related to employee compensation from the general fund.

Compensated Absences - Compensated absences will be paid from the general fund. See Note 6 for detail on compensated absences.

Leases Payable - The COG has entered into lease agreements for the use of right to use buildings. Due to the implementation of GASB Statement No. 87, the COG will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The COG has entered into lease agreements for office space in buildings at varying years and terms as follows:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Building	2021	6	2027	Monthly
Building	2019	5	2024	Monthly
Building	2021	15	2036	Monthly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2024	\$ 333,850	\$ 286,842	\$ 620,692
2025	330,926	270,478	601,404
2026	360,010	253,346	613,356
2027	387,204	234,624	621,828
2028	411,483	214,743	626,226
2029 - 2033	2,499,821	726,481	3,226,302
2034 - 2036	1,569,681	103,828	1,673,509
Total	<u>\$ 5,892,975</u>	<u>\$ 2,090,342</u>	<u>\$ 7,983,317</u>

NOTE 10 – RISK MANAGEMENT

The COG is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the COG maintained suitable insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in 3 years.

NOTE 11 – CONTINGENCIES

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

The COG was not a defendant in any lawsuits at year end.

NOTE 12 - COMMITMENTS

The COG utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance if not reflected as payables. At year end, the COG’s commitments for encumbrances in the general fund were \$214,266.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended December 31, 2023, was as follows:

	Balance <u>12/31/2022</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/2023</u>
Governmental activities:				
<i>Capital assets, being amortized:</i>				
Intangible right to use:				
Leased buildings	6,565,924	-	-	6,565,924
Total capital assets, being amortized	<u>6,565,924</u>	<u>-</u>	<u>-</u>	<u>6,565,924</u>
<i>Less: accumulated amortization:</i>				
Intangible right to use:				
Leased buildings	(492,064)	(492,064)	-	(984,128)
Total accumulated amortization	<u>(492,064)</u>	<u>(492,064)</u>	<u>-</u>	<u>(984,128)</u>
Total capital assets, being amortized, net	<u>6,073,860</u>	<u>(492,064)</u>	<u>-</u>	<u>5,581,796</u>
Governmental activities capital assets, net	<u>\$ 6,073,860</u>	<u>\$ (492,064)</u>	<u>\$ -</u>	<u>\$ 5,581,796</u>

Amortization expense was charged to governmental functions as follows:

Instruction:

Human services: Employment and Training Program	<u>\$ 492,064</u>
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NOTE 14 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

NOTE 14 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the COG.

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

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**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
COG's proportion of the net pension liability	0.001611%	0.001198%	0.000778%	0.000768%
COG's proportionate share of the net pension liability	\$ 475,890	\$ 104,231	\$ 115,205	\$ 151,800
COG's covered payroll	\$ 255,429	\$ 190,136	\$ 111,771	\$ 109,464
COG's proportionate share of the net pension liability as a percentage of its covered payroll	186.31%	54.82%	103.07%	138.68%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	92.62%	86.88%	82.17%
<i>Combined Plan:</i>				
COG's proportion of the net pension asset	0.021851%	0.024844%	0.023802%	0.019114%
COG's proportionate share of the net pension asset	\$ 51,501	\$ 97,887	\$ 68,708	\$ 39,857
COG's covered payroll	\$ 99,829	\$ 113,257	\$ 104,893	\$ 85,086
COG's proportionate share of the net pension asset as a percentage of its covered payroll	51.59%	86.43%	65.50%	46.84%
Plan fiduciary net position as a percentage of the total pension asset	126.74%	169.88%	157.67%	145.28%
<i>Member Directed Plan:</i>				
COG's proportion of the net pension asset	0.002582%	0.004981%		
COG's proportionate share of the net pension asset	\$ 202	\$ 904		
COG's covered payroll	\$ 18,210	\$ 31,230		
COG's proportionate share of the net pension asset as a percentage of its covered payroll	1.11%	2.89%		
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%		

Note: The COG began operations on July 1, 2017. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Information prior to 2019 was unavailable for the Combined Plan. Information prior to 2022 was unavailable for the Member Directed Plan.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2019</u>	<u>2018</u>
	0.001060%	0.000813%
\$	290,313	\$ 127,544
\$	150,343	\$ 107,400
	193.10%	118.76%
	74.70%	84.66%
	0.009028%	
\$	10,095	
\$	38,614	
	26.14%	
	126.64%	

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 52,455	\$ 35,760	\$ 26,619	\$ 15,648
Contributions in relation to the contractually required contribution	<u>(52,455)</u>	<u>(35,760)</u>	<u>(26,619)</u>	<u>(15,648)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COG's covered payroll	\$ 374,679	\$ 255,429	\$ 190,136	\$ 111,771
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 9,103	\$ 13,976	\$ 15,856	\$ 14,685
Contributions in relation to the contractually required contribution	<u>(9,103)</u>	<u>(13,976)</u>	<u>(15,856)</u>	<u>(14,685)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COG's covered payroll	\$ 65,021	\$ 99,829	\$ 113,257	\$ 104,893
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ -	\$ 1,821	\$ 3,123	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>(1,821)</u>	<u>(3,123)</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COG's covered payroll	\$ -	\$ 18,210	\$ 31,230	\$ -
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

Note: The COG began operations on July 1, 2017. Information prior to 2018 and 2021 for the combined plan and Member Directed plan was unavailable, respectively. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 15,325	\$ 21,048	\$ 13,962
<u>(15,325)</u>	<u>(21,048)</u>	<u>(13,962)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 109,464	\$ 150,343	\$ 107,400
14.00%	14.00%	13.00%
\$ 11,912	\$ 5,406	\$ -
<u>(11,912)</u>	<u>(5,406)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 85,086	\$ 38,614	\$ -
14.00%	14.00%	13.00%
\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -
10.00%	10.00%	10.00%

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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SUMMIT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
COG's proportion of the net OPEB liability/asset	0.002209%	0.002041%	0.001418%	0.001278%
COG's proportionate share of the net OPEB liability/(asset)	\$ 13,928	\$ (63,927)	\$ (25,263)	\$ 176,525
COG's covered payroll	\$ 373,468	\$ 334,623	\$ 216,664	\$ 194,550
COG's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	-3.73%	19.10%	11.66%	90.74%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%

Note: The COG began operations on July 1, 2017. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>
0.001253%	0.000760%
\$ 163,362	\$ 82,530
\$ 188,957	\$ 107,400
86.45%	76.84%
46.33%	54.14%

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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SUMMIT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	2023	2022	2021	2020
Contractually required contribution	\$ 1,517	\$ 729	\$ 1,249	\$ -
Contributions in relation to the contractually required contribution	(1,517)	(729)	(1,249)	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
COG's covered payroll	\$ 439,700	\$ 373,468	\$ 334,623	\$ 216,664
Contributions as a percentage of covered payroll	0.35%	0.20%	0.37%	0.00%

Note: The COG began operations on July 1, 2017. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ -	\$ -	\$ 1,074
-	-	(1,074)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 194,550	\$ 188,957	\$ 107,400
0.00%	0.00%	1.00%

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior
- There were no changes in assumptions for 2023.

(Continued)

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

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**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Passed-Through Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF LABOR</u>				
<i>(Passed through Ohio Department of Job and Family Services)</i>				
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities -				
OMJ Resource Sharing - SFY23	17.207	G-2223-15-0043		\$ 50,121
OMJ Resource Sharing - SFY23		G-2425-15-0173		26,794
Total OMJ Resource Sharing (CFDA 17.207)				<u>76,915</u>
Total Employment Service Cluster				76,915
Unemployment Insurance - RESEA Program - PY21	17.225	G-2223-15-0043		22,701
Unemployment Insurance - RESEA Program - PY22		G-2223-15-0043		73,341
Unemployment Insurance - RESEA Program - PY22		G-2425-15-0173		80,542
Unemployment Insurance - RESEA Program - PY23		G-2425-15-0173		20,363
Unemployment Insurance - RESEA Program - PY21 Admin		G-2223-15-0043		(8,240)
Unemployment Insurance - RESEA Program - PY22 Admin		G-2223-15-0043		1,716
Unemployment Insurance - RESEA Program - PY22 Admin		G-2425-15-0173		15,382
Unemployment Insurance - RESEA Program - PY23 Admin		G-2425-15-0173		9,801
Total Unemployment Insurance - RESEA				<u>215,606</u>
Trade Adjustment Assistance - OMJ Resource Sharing - SFY23	17.245	G-2223-15-0043		7,989
Trade Adjustment Assistance - OMJ Resource Sharing - SFY23		G-2425-15-0173		4,271
Total Trade Adjustment Assistance (CFDA 17.245)				<u>12,260</u>
Workforce Innovation & Opportunity Act (WIOA) Cluster:				
WIOA Adult Program - Administration - PY21	17.258	G-2223-15-0043		29,430
WIOA Adult Program - Administration - PY22		G-2223-15-0043		138,706
WIOA Adult Program - Administration - PY22		G-2425-15-0173		28,547
WIOA Adult Program - Administration - FY23		G-2425-15-0173		109,315
WIOA Adult Program - FY22		G-2223-15-0043	664,596	776,992
WIOA Adult Program - FY23		G-2223-15-0043	3,131	3,131
WIOA Adult Program - PY22		G-2223-15-0043	38,451	38,451
WIOA Adult Program - FY22		G-2425-15-0173	64,250	90,432
WIOA Adult Program - FY23		G-2425-15-0173	333,714	333,714
WIOA Adult Program - PY22		G-2425-15-0173	171,941	218,471
WIOA Adult Program - Business Resource Network - SFY22		G-2425-15-0173	162,655	163,629
WIOA Adult Program - Business Resource Network - SFY22		G-2223-15-0043	172,970	172,970
WIOA Adult Program - Business Resource Network - SFY24		G-2425-15-0173	97,809	104,097
WIOA Adult Program - OMJ Resource Sharing - SFY23		G-2223-15-0043		2,475
WIOA Adult Program - OMJ Resource Sharing - SFY23		G-2425-15-0173		1,323
WIOA Adult Program - State Special Projects- SFY23		G-2223-15-0043	151,290	151,290
WIOA Adult Program - State Special Projects- SFY23		G-2425-15-0173		28,460
WIOA Adult Program - State Special Projects- SFY24		G-2425-15-0173		30,000
WIOA Adult Program - State Special Projects- Admin		G-2223-15-0043		13,750
WIOA Adult Program - State Special Projects- Admin		G-2425-15-0173		7,492
Total WIOA Adult Program (CFDA 17.258)			<u>1,860,807</u>	<u>2,442,675</u>
WIOA CCMEP Youth Program - Administration - PY22	17.259	G-2223-15-0043		15,033
WIOA CCMEP Youth Program - Administration - PY22		G-2425-15-0173		61,882
WIOA CCMEP Youth Program - PY21		G-2223-15-0043	442,537	582,794
WIOA CCMEP Youth Program - PY22		G-2223-15-0043	-	2,700
WIOA CCMEP Youth Program - PY21		G-2425-15-0173	132,811	218,577
WIOA CCMEP Youth Program - PY22		G-2425-15-0173	279,215	538,380
Total WIOA Youth Program (CFDA 17.259)			<u>854,563</u>	<u>1,419,366</u>
WIOA Dislocated Worker Formula Grants - Administration - FY22	17.278	G-2223-15-0043		81,448
WIOA Dislocated Worker Formula Grants - Administration - PY21		G-2223-15-0043		16,204
WIOA Dislocated Worker Formula Grants - Administration - FY23		G-2425-15-0173		87,624
WIOA Dislocated Worker Formula Grants - Administration - PY22		G-2425-15-0173		19,417
WIOA Dislocated Worker Formula Grants - FY22		G-2223-15-0043	4,218	4,218
WIOA Dislocated Worker Formula Grants - PY22		G-2223-15-0043	50,326	50,326
WIOA Dislocated Worker Formula Grants - FY23		G-2425-15-0173	182,601	350,177
WIOA Dislocated Worker Formula Grants - PY22		G-2425-15-0173	85,873	124,426
WIOA Dislocated Worker Formula Grants - OMJ Resource Sharing - SFY23		G-2223-15-0043		1,925
WIOA Dislocated Worker Formula Grants - OMJ Resource Sharing - SFY23		G-2425-15-0173		1,029
Total WIOA Dislocated Worker Formula Grants (CFDA 17.278)			<u>323,018</u>	<u>736,794</u>
Total WIOA Cluster			3,038,388	4,598,835

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Passed-Through Through to Subrecipients	Total Federal Expenditures
WIOA National Dislocated Worker Grants/WIA National Emergency Grants - Opiod #2 - Administration	17.277	G-2425-15-0173		3,622
WIOA National Dislocated Worker Grants/WIA National Emergency Grants - Opiod #2		G-2223-15-0043	24,520	24,520
WIOA National Dislocated Worker Grants/WIA National Emergency Grants - Opiod #2		G-2425-15-0173	48,900	48,900
WIOA National Dislocated Worker Grants/WIA National Emergency Grants - Fresh Start - Administration		G-2223-15-0043		(2,299)
WIOA National Dislocated Worker Grants/WIA National Emergency Grants - Fresh Start - Administration		G-2425-15-0173		5,005
WIOA National Dislocated Worker Grants/WIA National Emergency Grants - Fresh Start		G-2223-15-0043	15,623	15,623
COVID-19 WIOA National Dislocated Worker Grants/WIA National Emergency Grants - Employment Recovery - Administration		G-2223-15-0043		74,914
COVID-19 WIOA National Dislocated Worker Grants/WIA National Emergency Grants - Employment Recovery		G-2223-15-0043		150,120
Total WIOA National Dislocated Worker Grants/WIA National Emergency Grants (CFDA 17.277)			<u>89,043</u>	<u>320,405</u>
TOTAL U.S. DEPARTMENT OF LABOR			<u>3,127,431</u>	<u>5,224,021</u>
TOTAL EXPENDITURE OF FEDERAL AWARDS			<u>\$ 3,127,431</u>	<u>\$ 5,224,021</u>

THE ACCOMPANYING NOTES ARE AN INTERGRAL PART OF THIS SCHEDULE.

**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
(A COMPONENT UNIT OF SUMMIT COUNTY)
SUMMIT COUNTY, OHIO**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Summit and Medina Workforce Area Council of Governments (the “COG”) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the COG, it is not intended to and does not present the financial position or changes in net position of the COG.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C - INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The COG passes certain federal awards received from the U.S. Department of Labor to other governments or not-for-profit agencies (subrecipients). As Note B describes, the COG reports expenditures of Federal awards to subrecipients when paid in cash. As a subrecipient, the COG has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award’s performance goals.

NOTE E - MATCHING REQUIREMENTS

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

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

Summit and Medina Workforce Area Council of Governments
Summit County
175 S. Main St.
Suite 204
Akron, Ohio 44308

To the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund of the Summit and Medina Workforce Area Council of Governments, Summit County, (the COG) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the COG's basic financial statements and have issued our report thereon dated September 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the COG's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the COG's internal control. Accordingly, we do not express an opinion on the effectiveness of the COG'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 COG'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 COG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the COG'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 COG's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 12, 2024

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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800-282-0370

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Summit and Medina Workforce Area Council of Governments
Summit County
175 S. Main St.
Suite 204
Akron, Ohio 44308

To the Board:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Summit and Medina Workforce Area Council of Governments', Summit County, (COG) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on (each of) Summit and Medina Workforce Area Council of Governments' major federal program for the year ended December 31, 2023. Summit and Medina Workforce Area Council of Governments' major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Summit and Medina Workforce Area Council of Governments complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

September 12, 2024

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**SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Workforce Innovation and Opportunity Act Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



SUMMIT AND MEDINA WORKFORCE AREA COUNCIL OF GOVERNMENTS

SUMMIT 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 9/26/2024

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

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