



OHIO AUDITOR OF STATE  
**KEITH FABER**





**VAN WERT COUNTY  
DECEMBER 31, 2023**

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VAN WERT COUNTY  
DECEMBER 31, 2023

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Van Wert County  
121 E. Main Street  
Van Wert, Ohio 45891

To the Board of County Commissioners:

### Report on the Audit of the Financial Statements

#### **Opinions**

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Wert County, as of December 31, 2023, and the respective changes in modified cash-basis financial position and where applicable cash flows thereof and the respective budgetary comparison for the General, Motor Vehicle and Gas Tax, Thomas Edison, and Brumback Library funds for the year then ended in accordance with the modified cash-basis of accounting described in Note 2.

#### **Basis for Opinions**

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

#### **Emphasis of Matter - Accounting Basis**

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Supplementary Information***


Our audit was conducted to opine on the financial statements as a whole that collectively comprise the County's basic financial statements.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the 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 to 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, this schedule 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 July 22, 2024, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Robert R. Hinkle, CPA, CGFM  
Chief Deputy Auditor  
Columbus, Ohio

July 22, 2024

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**Van Wert County, Ohio**  
**Statement of Net Position - Modified Cash Basis**  
**December 31, 2023**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$20,969,589	\$239,251	\$21,208,840
Cash and Cash Equivalents in Segregated Account	247,674	-	247,674
Cash and Cash Equivalents with Escrow Agents	15,002	-	15,002
Investments in Segregated Accounts	715,797	-	715,797
<b>Total Assets</b>	<b>21,948,062</b>	<b>239,251</b>	<b>22,187,313</b>
<b>Net Position</b>			
Restricted for:			
Other Purposes	12,588,760	-	12,588,760
Debt Service	64,941	-	64,941
Capital Projects	12,219	-	12,219
Unrestricted	9,282,142	\$239,251	9,521,393
<b>Total Net Position</b>	<b>\$21,948,062</b>	<b>\$239,251</b>	<b>\$22,187,313</b>

See accompanying notes to the basic financial statements

Van Wert Land Reutilization Corporation	Van Wert County Port Authority
-	\$140,293
\$432,414	-
-	-
-	-
<u>432,414</u>	<u>140,293</u>
-	-
-	-
-	-
432,414	140,293
<u>\$432,414</u>	<u>\$140,293</u>

**Van Wert County, Ohio**  
**Statement of Activities - Modified Cash Basis**  
**For the Year Ended December 31, 2023**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government:				
Legislative and Executive	\$8,667,209	\$2,079,038	\$1,175,267	-
Judicial	1,874,816	366,340	475,470	-
Public Safety	5,679,302	524,217	562,999	-
Public Works	5,671,176	629,252	5,081,816	-
Health	697,566	89,416	-	-
Human Services	9,729,924	1,289,547	4,910,857	-
Economic Development and Assistance	1,075,622	217,165	372,047	\$1,719
Capital Outlay	97,837	-	-	-
Intergovernmental	120,900	-	-	-
Principal Retirement	581,743	-	-	-
Interest and Fiscal Charges	74,182	-	-	-
<b>Total Governmental Activities</b>	<u>34,270,277</u>	<u>5,194,975</u>	<u>12,578,456</u>	<u>1,719</u>
<b>Business-Type Activity</b>				
Recycling	777,663	640,509	-	30,424
<b>Total Primary Government</b>	<u>\$35,047,940</u>	<u>\$5,835,484</u>	<u>\$12,578,456</u>	<u>\$32,143</u>
<b>Component Units</b>				
Van Wert Land Reutilization Corporation	\$1,202,936	\$292,975	\$821,509	-
Van Wert County Port Authority	233,283	240,258	-	-
<b>Total Component Units</b>	<u>\$1,436,219</u>	<u>\$533,233</u>	<u>\$821,509</u>	<u>-</u>
<b>General Revenues</b>				
Property and Other Taxes Levied for:				
General Purposes				
Thomas Edison				
Other Purposes				
County Permissive Motor Vehicle License Taxes Levied for Public Works				
Permissive Sales Taxes Levied for General Purposes				
Grants and Entitlements not Restricted to Specific Programs				
Unrestricted Investment Earnings				
Tax Increment Financing				
Other				
<b>Total General Revenues</b>				
Change in Net Position				
<b>Net Position Beginning of Year</b>				
<b>Net Position End of Year</b>				

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-Type Activity	Total	Van Wert Land Reutilization Corporation	Van Wert County Port Authority
(\$5,412,904)	-	(\$5,412,904)	-	-
(1,033,006)	-	(1,033,006)	-	-
(4,592,086)	-	(4,592,086)	-	-
39,892	-	39,892	-	-
(608,150)	-	(608,150)	-	-
(3,529,520)	-	(3,529,520)	-	-
(484,691)	-	(484,691)	-	-
(97,837)	-	(97,837)	-	-
(120,900)	-	(120,900)	-	-
(581,743)	-	(581,743)	-	-
(74,182)	-	(74,182)	-	-
(16,495,127)	-	(16,495,127)	-	-
-	(\$106,730)	(106,730)	-	-
(16,495,127)	(106,730)	(16,601,857)	-	-
-	-	-	(\$88,452)	-
-	-	-	-	\$6,975
-	-	-	(88,452)	6,975
1,834,363	-	1,834,363	-	-
2,039,308	-	2,039,308	-	-
1,292,860	-	1,292,860	-	-
115,702	-	115,702	-	-
6,271,138	-	6,271,138	-	-
1,967,633	-	1,967,633	41,404	-
1,147,442	-	1,147,442	-	-
466,479	-	466,479	-	-
105,597	10,645	116,242	2,586	-
15,240,522	10,645	15,251,167	43,990	-
(1,254,605)	(96,085)	(1,350,690)	(44,462)	6,975
23,202,667	335,336	23,538,003	476,876	133,318
\$21,948,062	\$239,251	\$22,187,313	\$432,414	\$140,293

**Van Wert County, Ohio**  
**Balance Sheet - Modified Cash Basis**  
**Governmental Funds**  
**December 31, 2023**

	General	Motor Vehicle and Gas Tax	Thomas Edison	Brumback Library	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$8,972,555	\$1,880,043	\$3,417,398	\$1,253,188	\$5,214,094	\$20,737,278
Cash and Cash Equivalents in Segregated Accounts	28,828	51,448	-	74,109	93,289	247,674
Cash and Cash Equivalents with Escrow Agents	15,002	-	-	-	-	15,002
Investments in Segregated Accounts	-	-	-	715,797	-	715,797
<b>Total Assets</b>	<u>\$9,016,385</u>	<u>\$1,931,491</u>	<u>\$3,417,398</u>	<u>\$2,043,094</u>	<u>\$5,307,383</u>	<u>\$21,715,751</u>
<b>Fund Balances</b>						
Nonspendable	\$8,979	-	-	-	-	\$8,979
Restricted	15,002	\$1,931,491	\$3,417,398	\$2,043,094	5,249,956	12,656,941
Committed	-	-	-	-	57,427	57,427
Assigned	6,024,135	-	-	-	-	6,024,135
Unassigned	2,968,269	-	-	-	-	2,968,269
<b>Total Fund Balances</b>	<u>\$9,016,385</u>	<u>\$1,931,491</u>	<u>\$3,417,398</u>	<u>\$2,043,094</u>	<u>\$5,307,383</u>	<u>\$21,715,751</u>

See accompanying notes to the basic financial statements

**Van Wert County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities - Modified Cash Basis  
December 31, 2023*

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<b>Total Governmental Fund Balances</b>	\$21,715,751
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*Amounts reported for governmental activities in the statement of net position are different because:*

An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.

232,311

***Net Position of Governmental Activities***

\$21,948,062

See accompanying notes to the basic financial statements

**Van Wert County, Ohio**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis**  
**Governmental Funds**  
**For the Year Ended December 31, 2023**

	General	Motor Vehicle and Gas Tax	Thomas Edison	Brumback Library	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property Taxes	\$1,531,781	-	\$1,909,278	\$207,165	\$1,016,163	\$4,664,387
Permissive Sales Tax	6,271,138	-	-	-	-	6,271,138
Alternate Energy Tax	302,582	-	130,030	15,104	54,428	502,144
Permissive Motor Vehicle License Tax	-	\$115,702	-	-	-	115,702
Intergovernmental	2,096,543	5,030,428	954,800	1,060,385	5,260,431	14,402,587
Charges for Services	1,503,325	116,002	455,801	3,267	829,239	2,907,634
Licenses and Permits	1,950	-	-	-	80,276	82,226
Fines and Forfeitures	53,805	37,309	-	1,851	44,228	137,193
Special Assessments	-	-	-	-	196,933	196,933
Interest	1,147,442	51,388	41,635	52,198	-	1,292,663
Tax Increment Financing	-	-	-	-	466,479	466,479
Other	579,788	278,634	-	46,222	1,071,942	1,976,586
<b>Total Revenues</b>	<b>13,488,354</b>	<b>5,629,463</b>	<b>3,491,544</b>	<b>1,386,192</b>	<b>9,020,119</b>	<b>33,015,672</b>
<b>Expenditures</b>						
Current:						
General Government:						
Legislative and Executive	6,877,659	-	-	1,110,744	621,112	8,609,515
Judicial	1,781,489	-	-	-	93,032	1,874,521
Public Safety	4,949,564	-	-	-	726,225	5,675,789
Public Works	65,505	5,556,944	-	-	48,727	5,671,176
Health	174,844	-	-	-	522,091	696,935
Human Services	205,529	-	3,679,419	-	5,809,028	9,693,976
Economic Development and Assistance	57,800	-	-	-	1,017,822	1,075,622
Capital Outlay	-	-	-	-	97,837	97,837
Intergovernmental	120,900	-	-	-	-	120,900
Debt Service:						
Principal Retirement	-	-	-	-	581,743	581,743
Interest and Fiscal Charges	-	-	-	-	74,182	74,182
<b>Total Expenditures</b>	<b>14,233,290</b>	<b>5,556,944</b>	<b>3,679,419</b>	<b>1,110,744</b>	<b>9,591,799</b>	<b>34,172,196</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(744,936)</i>	<i>72,519</i>	<i>(187,875)</i>	<i>275,448</i>	<i>(571,680)</i>	<i>(1,156,524)</i>
<b>Other Financing Sources (Uses)</b>						
Advances In	134,891	-	-	-	100,000	234,891
Advances Out	(100,000)	-	-	-	(134,891)	(234,891)
Transfers In	11,571	-	-	-	353,382	364,953
Transfers Out	(204,665)	(126,608)	(22,109)	-	(11,571)	(364,953)
<b>Total Other Financing Sources (Uses)</b>	<b>(158,203)</b>	<b>(126,608)</b>	<b>(22,109)</b>	<b>-</b>	<b>306,920</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(903,139)</b>	<b>(54,089)</b>	<b>(209,984)</b>	<b>275,448</b>	<b>(264,760)</b>	<b>(1,156,524)</b>
<i>Fund Balances Beginning of Year</i>	<i>9,919,524</i>	<i>1,985,580</i>	<i>3,627,382</i>	<i>1,767,646</i>	<i>5,572,143</i>	<i>22,872,275</i>
<b>Fund Balances End of Year</b>	<b>\$9,016,385</b>	<b>\$1,931,491</b>	<b>\$3,417,398</b>	<b>\$2,043,094</b>	<b>\$5,307,383</b>	<b>\$21,715,751</b>

See accompanying notes to the basic financial statements

**Van Wert County, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities - Modified Cash Basis  
For the Year Ended December 31, 2023*

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**Net Change in Fund Balances - Total Governmental Funds** ( \$1,156,524)

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

The internal service fund used by management to charge the cost of insurance to individual funds is not reported on the statement of activities. Governmental and related internal service fund revenue are eliminated. (98,081)

*Change in Net Position of Governmental Activities* ( \$1,254,605)

See accompanying notes to the basic financial statements



**Van Wert County, Ohio**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$1,503,200	\$1,503,200	\$1,516,185	\$12,985
Permissive Sales Tax	4,950,000	4,950,000	6,271,138	1,321,138
Alternate Energy Tax	302,500	302,500	302,582	82
Intergovernmental	1,813,532	1,897,731	2,096,543	198,812
Charges for Services	1,093,600	1,113,416	1,204,334	90,918
Licenses and Permits	1,400	1,400	1,950	550
Fines and Forfeitures	42,500	42,500	49,942	7,442
Interest	200,020	350,020	1,130,642	780,622
Other	452,523	468,119	563,413	95,294
<b>Total Revenues</b>	<b>10,359,275</b>	<b>10,628,886</b>	<b>13,136,729</b>	<b>2,507,843</b>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	10,777,555	10,950,342	8,922,550	2,027,792
Judicial	2,087,189	2,042,628	1,801,981	240,647
Public Safety	5,369,732	5,611,070	4,970,213	640,857
Public Works	62,610	77,625	65,505	12,120
Health	225,854	227,585	183,470	44,115
Human Services	219,702	236,035	205,529	30,506
Economic Development and Assistance	41,000	57,800	57,800	-
Intergovernmental	177,800	177,800	125,400	52,400
<b>Total Expenditures</b>	<b>18,961,442</b>	<b>19,380,885</b>	<b>16,332,448</b>	<b>3,048,437</b>
Excess of Revenues Over (Under) Expenditures	(8,602,167)	(8,751,999)	(3,195,719)	5,556,280
<b>Other Financing Sources (Uses)</b>				
Advances In	34,891	34,891	134,891	100,000
Advances Out	-	(21,446)	(100,000)	(78,554)
Transfers In	-	7,828	11,571	3,743
Transfers Out	(277,256)	(344,751)	(204,665)	140,086
<b>Total Other Financing Sources (Uses)</b>	<b>(242,365)</b>	<b>(323,478)</b>	<b>(158,203)</b>	<b>165,275</b>
Net Change in Fund Balance	(8,844,532)	(9,075,477)	(3,353,922)	5,721,555
<b>Fund Balance Beginning of Year</b>	<b>7,128,900</b>	<b>7,128,900</b>	<b>7,128,900</b>	<b>-</b>
Prior Year Encumbrances Appropriated	2,047,914	2,047,914	2,047,914	-
<b>Fund Balance End of Year</b>	<b>\$332,282</b>	<b>\$101,337</b>	<b>\$5,822,892</b>	<b>\$5,721,555</b>

See accompanying notes to the basic financial statements

**Van Wert County, Ohio**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Motor Vehicle and Gas Tax Fund**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Permissive Motor Vehicle License Tax	\$110,000	\$110,000	\$115,702	\$5,702
Intergovernmental	4,700,000	4,700,000	5,030,428	330,428
Charges for Services	170,000	170,000	116,002	(53,998)
Fines and Forfeitures	-	-	37,311	37,311
Interest	3,000	3,000	50,944	47,944
Other	1,000	1,000	278,634	277,634
<b>Total Revenues</b>	<b>4,984,000</b>	<b>4,984,000</b>	<b>5,629,021</b>	<b>645,021</b>
<b>Expenditures</b>				
Current:				
Public Works	6,177,998	6,604,301	5,822,828	781,473
Excess of Revenues Over (Under) Expenditures	(1,193,998)	(1,620,301)	(193,807)	1,426,494
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(300,000)	(300,000)	(126,608)	173,392
<b>Total Other Financing Sources (Uses)</b>	<b>(300,000)</b>	<b>(300,000)</b>	<b>(126,608)</b>	<b>173,392</b>
Net Change in Fund Balance	(1,493,998)	(1,920,301)	(320,415)	1,599,886
<b>Fund Balance at Beginning of Year</b>	<b>1,742,617</b>	<b>1,742,617</b>	<b>1,742,617</b>	<b>-</b>
Prior Year Encumbrances Appropriated	209,204	209,204	209,204	-
<b>Fund Balance at End of Year</b>	<b>\$457,823</b>	<b>\$31,520</b>	<b>\$1,631,406</b>	<b>\$1,599,886</b>

See accompanying notes to the basic financial statements

**Van Wert County, Ohio**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Thomas Edison Fund**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$1,863,996	\$1,863,996	\$1,903,503	\$39,507
Alternate Energy Tax	132,582	132,582	130,030	(2,552)
Intergovernmental	636,000	636,000	954,800	318,800
Charges for Services	85,000	76,160	455,801	379,641
Interest	13,000	13,000	41,635	28,635
<b>Total Revenues</b>	<b>2,730,578</b>	<b>2,721,738</b>	<b>3,485,769</b>	<b>764,031</b>
<b>Expenditures</b>				
Current:				
Human Services	4,095,527	4,044,800	3,679,915	364,885
Excess of Revenues Over (Under) Expenditures	(1,364,949)	(1,323,062)	(194,146)	1,128,916
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(21,000)	(22,109)	(22,109)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(21,000)</b>	<b>(22,109)</b>	<b>(22,109)</b>	<b>-</b>
Net Change in Fund Balance	(1,385,949)	(1,345,171)	(216,255)	1,128,916
<b>Fund Balance at Beginning of Year</b>	<b>3,385,449</b>	<b>3,385,449</b>	<b>3,385,449</b>	<b>-</b>
Prior Year Encumbrances Appropriated	208,727	208,727	208,727	-
<b>Fund Balance at End of Year</b>	<b>\$2,208,227</b>	<b>\$2,249,005</b>	<b>\$3,377,921</b>	<b>\$1,128,916</b>

See accompanying notes to the basic financial statements

**Van Wert County, Ohio**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Brumback Library Fund**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$202,875	\$202,875	\$206,669	\$3,794
Alternate Energy Tax	14,000	14,000	15,104	1,104
Intergovernmental	548,000	548,000	1,060,385	512,385
Charges for Services	3,100	3,100	3,267	167
Fines and Forfeitures	5,000	5,000	1,851	(3,149)
Other	15,885	15,885	14,827	(1,058)
<b>Total Revenues</b>	788,860	788,860	1,302,103	513,243
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	1,297,414	1,359,168	1,032,914	326,254
<b>Total Expenditures</b>	1,297,414	1,359,168	1,032,914	326,254
Net Change in Fund Balance	(508,554)	(570,308)	269,189	839,497
<b>Fund Balance at Beginning of Year</b>	970,619	970,619	970,619	-
Prior Year Encumbrances Appropriated	6,049	6,049	6,049	-
<b>Fund Balance at End of Year</b>	\$468,114	\$406,360	\$1,245,857	\$839,497

See accompanying notes to the basic financial statements

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

	Recycling	Government Activities Internal Service
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in Pooled Cash and Cash Equivalents	\$239,251	\$232,311
<b>Total Assets</b>	239,251	232,311
<b>Net Position</b>		
Unrestricted	239,251	232,311
<b>Total Net Position</b>	\$239,251	\$232,311

See accompanying notes to the basic financial statements

**Van Wert County, Ohio**  
**Statement of Revenues,**  
**Expenses and Changes in Fund Net Position - Modified Cash Basis**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	<u>Recycling</u>	<u>Governmental Activities Internal Service</u>
<b>Operating Revenues</b>		
Charges for Services	\$640,509	\$31,476
Other	6,647	-
<b>Total Operating Revenues</b>	<u>647,156</u>	<u>31,476</u>
<b>Operating Expenses</b>		
Personal Services	557,175	-
Contractual Services	100,613	119,617
Materials and Supplies	69,672	-
Claims	-	9,940
<b>Total Operating Expenses</b>	<u>727,460</u>	<u>129,557</u>
<i>Operating Income (Loss)</i>	<u>(80,304)</u>	<u>(98,081)</u>
<b>Non-Operating Income (Expenses)</b>		
Sale of Capital Assets	3,998	-
Capital Outlay	(50,203)	-
<b>Total Non-Operating Income (Expenses)</b>	<u>(46,205)</u>	<u>-</u>
<i>Income Before Capital Contributions</i>	<u>(126,509)</u>	<u>(98,081)</u>
Capital Contributions	30,424	-
Total Contributions	<u>30,424</u>	<u>-</u>
<i>Change in Net Position</i>	(96,085)	(98,081)
<b>Net Position Beginning of Year</b>	<u>335,336</u>	<u>330,392</u>
<b>Net Position End of Year</b>	<u>\$239,251</u>	<u>\$232,311</u>

See accompanying notes to the basic financial statements

**Van Wert County, Ohio**  
**Statement of Cash Flows - Modified Cash Basis**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	<u>Recycling</u>	<u>Governmental Activities Internal Service</u>
<b>Increase (Decrease) in Cash and Cash Equivalents:</b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers and Support	\$640,509	\$31,476
Cash Received from Other Sources	6,647	-
Cash Payments for Employee Services and Benefits	(557,175)	-
Cash Payments to Suppliers	(170,285)	(119,617)
Cash Payments for Claims	-	(9,940)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>(\$80,304)</u>	<u>(98,081)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Sale of Capital Assets	3,998	-
Capital Outlay	(50,203)	-
Capital Contributions	30,424	-
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<u>(15,781)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(96,085)	(98,081)
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>335,336</u>	<u>330,392</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$239,251</u>	<u>\$232,311</u>

See accompanying notes to the basic financial statements

**Van Wert County, Ohio**  
**Statement of Fiduciary Net Position - Modified Cash Basis**  
**Custodial Funds**  
**December 31, 2023**

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$2,318,375
Cash and Cash Equivalents in Segregated Accounts	<u>292,968</u>
<b>Total Assets</b>	<u><u>\$2,611,343</u></u>
<b>Net Position</b>	
Restricted for Individuals, Organizations and Other Governments	<u>\$2,611,343</u>
<b>Total Net Position</b>	<u><u>\$2,611,343</u></u>

See accompanying notes to the basic financial statements



**Van Wert County, Ohio**  
**Statement of Changes in Fiduciary Net Position - Modified Cash Basis**  
**Custodial Funds**  
**For the Year Ended December 31, 2023**

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<b>Additions:</b>	
Intergovernmental	\$3,240,355
Amounts Received as Fiscal Agent	1,532,202
Licenses and Permits and Fees for Other Governments	110,027
Property Tax Collections for Other Governments	28,340,217
Excise Tax Collections for Other Governments	2,499
Special Assessment Collections for Other Governments	703,851
Amounts Received for Other Governments	8,734,344
<b>Total Additions</b>	42,663,495
 <b>Deductions</b>	
Custodial Fund Disbursements	8,861,267
Distributions as Fiscal Agent	1,748,306
Distributions of State Funds to Other Governments	3,053,855
Distributions to the State of Ohio	203,349
Property Tax Distributions to Other Governments	26,478,699
Special Assessment Distributions to Other Governments	705,485
Other Distributions to Other Governments	1,567,856
<b>Total Deductions</b>	42,618,817
 <b>Change in Net Position</b>	44,678
 <b>Net Position at Beginning of Year</b>	2,566,665
 <b>Net Position at End of Year</b>	\$2,611,343

See accompanying notes to the basic financial statements

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**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY**

Van Wert County, Ohio (The County), was created in 1820 but was not organized until 1837. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a joint Probate/Juvenile Court Judge.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budgeting and taxing authority, contracting body and the chief administrators of public services for the County, including each of these departments.

**Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Van Wert County, this includes the Children's Services Board, the Board of Developmental Disabilities, the Child Support Enforcement Agency, the Community Corrections Planning Board, the Van Wert County Veterans Services, Van Wert County Election Board, Emergency Management Agency and all departments and activities that are directly operated by the elected County officials. Van Wert County Brumback Public Library is included as part of the primary government.

**Van Wert County Brumback Public Library**

The Brumback Library was constructed and donated to Van Wert County per the will of the late J. S. Brumback and a contract made between the heirs of the estate and the Van Wert County Commissioners in 1898. The Library was established as a free public library for the benefit of the citizens of Van Wert County, Ohio, at that time. The law was enacted under Section 891a Revised Statute. The Statute provides: "Any County accepting such a bequest, donation or gift shall be bound to faithfully carry out the agreement so made to provide and maintain such a library." It is therefore the legal duty of the Board of County Commissioners to faithfully comply with the terms of the contract and maintain and operate the library as a County Library.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the organization's budget, the levying of its taxes or the issuance of its debt.

**Blended Component Unit**

The Library Enrichment Foundation of the Brumback Library is a component unit that is blended with the primary government. It is blended with the primary government because it is so intertwined with the primary government that it is, in substance, the same as the primary government.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)**

**Library Enrichment Foundation of the Brumback Library** - The Library Enrichment Foundation of the Brumback Library was formed for the purpose of supporting and promoting charitable, educational, scientific, and literary purposes of the Brumback Library. Membership in the Foundation consists solely of the Trustees of the Brumback Library and the Director of the Brumback Library. The board of the Foundation and the Brumback Library are the same. The Brumback Library is part of the primary government, and the primary government may affect the activities, programs and projects of the Foundation; therefore, it would be misleading to exclude the Library Enrichment Foundation of the Brumback Library from the financial statements of the primary government. The Foundation is considered a component unit and blended with the primary government.

**Discretely Presented Component Units**

The component unit columns in the entity-wide financial statements identify the financial data of the County's discretely presented component units: the Van Wert County Port Authority and the Van Wert County Land Reutilization Corporation. They are reported separately to emphasize that they are legally separate from the County. Condensed financial information for the component units is presented in Note 13.

**Van Wert County Port Authority** - The Van Wert County Port Authority is a legally separate organization created to maintain and operate the rail property located within the County. The Board of the Port Authority is appointed by the Van Wert County Commissioners. The Van Wert County Commissioners have potential to receive financial benefit from the Port Authority, since the County is entitled to any surplus of the Port Authority. The County is also financially accountable for the Authority. The Van Wert County Auditor is the fiscal agent for the Port Authority. Separately issued financial statements can be obtained from Jami Bradford, the County Auditor, at 121 E. Main Street, Van Wert, Ohio 45891.

**Van Wert County Land Reutilization Corporation** – The Van Wert County Land Reutilization Corporation is a legally separate organization created by resolution of the Van Wert County Commissioners on August 2, 2016. The Board of the Corporation is composed of the County Treasurer, two members of the County Board of Commissioners, one representative of the City of Van Wert and any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. The County Commissioners can impose its will on the Corporation. Separately issued financial statements can be obtained from Christina Martin, Van Wert Area Economic Development Corporation, at 145 E. Main Street, Van Wert, OH 45891.

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

- Van Wert County General Health District
- Van Wert County Soil and Water Conservation District
- Van Wert County Park District

The County participates in certain organizations that are defined as Joint Ventures, Jointly Governed Organizations, and Insurance Pools.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)**

The County's Joint Venture, the Van Wert County Regional Planning Commission (the Commission), is presented in Note 14. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Commission is presented as custodial funds within the County's financial statements.

The Jointly Governed Organizations of the County, the Alcohol, Drug Addiction and Mental Health Services Board of Mercer, Paulding and Van Wert Counties (Tri County Mental Health Board), the Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio (the CIC), the Van Wert County Council on Aging, Inc. (the Council) and the Northwest Ohio Waiver Administration Council (NOWAC), are presented in Note 15. A jointly governed organization is governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility on the part of the participating governments.

The Insurance Pools, the Midwest Pool Risk Management Agency, Inc. (the Pool), the County Commissioners' Association of Ohio Service Corporation (CCAOSC), the Ohio School Plan (OSP) and the County Employee Benefits Consortium of Ohio (CEBCO) are insurance pools presented in Note 16. The Pool is a risk-sharing pool, while the CCAOSC, OSP, and CEBCO are insurance purchasing pools. A risk-sharing pool is an organization formed by a group of governments to combine risks and resources and share in the cost of losses. An insurance purchasing pool is an organization formed by a group of governments to pool funds or resources to purchase commercial insurance policies.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Although Ohio Administrative Code Section 117-2-03 (B) requires the County's financial report to follow accounting principles generally accepted in the United States of America, the County chooses to prepare its financial statements and notes in accordance with the modified cash basis of accounting.

This basis of accounting is similar to the cash receipts and disbursements basis. The County recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

The County also reports long-term investments as assets, valued at cost.

**Basis of Presentation**

The County'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.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between disbursements and program receipts for each program or function of the County's governmental activities and for the business-type activities of the County. Direct disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program receipts 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. Receipts that are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of disbursements with program receipts identifies the extent to which each governmental program or business segment is self-financing or draws from the general receipts of the County.

**Fund Financial Statements**

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

**Fund Accounting**

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

**Governmental Funds**

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

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

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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

**Motor Vehicle and Gas Tax Fund** – This fund is used to account for revenue derived from motor vehicle licenses, gasoline taxes and investment income. Expenditures in this fund are restricted by State law to county road and bridge repair and improvement programs. The County Engineer currently expends the majority of the revenues in this fund for road and bridge repairs and operating costs for the Engineer’s Office.

**Thomas Edison Fund** – This fund is used to account for money received from a County-wide property tax levy and several federal and state grants and subsidies for Developmental Disabilities, its operations and activities.

**Brumback Library Fund** – This fund is used to account for the operation of the Brumback Library. Revenue is received from bequests and donations and from money received from the operations of the Library. In addition, the Library receives revenue from the Local Government Fund. A library district tax levy also provides support for the Library. The County chooses to report this fund as a major fund due to its unique relationship with the County.

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

**Proprietary Fund**

Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows.

**Enterprise Fund** – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the County’s enterprise fund:

**Recycling Fund** – This fund is used to account for the provision of recycling service to certain residents and businesses within the County.

**Internal Service Fund** - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County’s internal service funds account for monies received from workers’ compensation premiums charged to each County department.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds account for cash and investments where the County is acting as trustee or fiscal agent for other entities or individuals. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are used by the County to account for assets held under a trust agreement for individuals, private organizations or other governments; therefore, they are not available to support the County’s own programs. Custodial funds are used to report resources held by the County in a purely custodial capacity.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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

The County's only fiduciary funds are custodial funds. The County's custodial funds are primarily established to account for the collection of various taxes, receipts and fees and to account for funds of the County General Health District, Soil and Water Conservation District, Park District and Regional Planning Commission.

**Component Units**

Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

**Cash and Cash Equivalents**

Cash balances of the County's funds, except cash and cash equivalents in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through County records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements. Cash and cash equivalents that are held separately by the component units and within departments of the County and not held with the County Treasurer are recorded on the balance sheet as "cash and cash equivalents in segregated accounts." "Cash and Cash Equivalents with Escrow Agents" is made up of the County Commissioners Great Bear Solar Escrow Account. Investments that are held separately by the Library Enrichment Foundation of the Brumback Library and not held with the County Treasurer are recorded on the balance sheet as "investments in segregated accounts."

Investments are reported at cost. During 2023, the County invested in certificates of deposits, First American Treasury Obligation fund, US Treasury Notes, and municipal bonds. The Library Enrichment Foundation of the Brumback Library invests in certificates of deposit, Northern FDS Stock Index Fund, Vanguard S&P 500 EFT, Vanguard Short-term Bond Fund, Vanguard Small-Cap EFT, Vanguard Total International and US Treasury Notes.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

Interest income is distributed to the funds according to statutory requirements. Interest revenue of \$1,147,442 was credited to the General Fund during 2023, which includes \$748,180 from other County funds.

**Inventory of Supplies**

On the modified cash basis of accounting, inventories of supplies are reported as disbursements when purchased.

**Prepaid Items**

On the modified cash basis of accounting, payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as disbursements when made.



**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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

**Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

**Compensated Absences**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the County's modified cash basis of accounting.

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

For purposes of measuring net pension/OPEB liability (asset), 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 systems. 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 systems report investments at fair value.

**Long-Term Obligations**

Bonds and other long-term obligations are not recognized as a liability in the financial statements under the modified cash basis of accounting. These statements report proceeds of debt when cash is received, and debt service disbursements for debt principal payments. Since recording a capital asset (including the intangible right to use) when entering into a lease, SBITA, or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments, SBITA payments, and financed purchase payments are reported when paid.

**Leases and SBITAS**

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

The County is the lessee (as defined by GASB 87) in various leases related to vehicles and equipment under noncancelable leases. Lease receivables/payables are not reflected under the modified cash basis of accounting. Lease disbursements are recognized when they are paid.

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

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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

**Settlement Monies**

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$43,860 are reflected as miscellaneous revenue in the Opioid Settlement Special Revenue Fund (which is shown with other governmental funds) in the accompanying financial statements.

**Net Position**

Net position is reported as restricted when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitation on its use.

The County first applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted resources are available.

**Operating Receipts and Disbursements**

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts are those receipts that are generated directly from the primary activity of the enterprise fund. For the County, these receipts are charges for services for recycling services. Operating disbursements are the necessary costs incurred to provide the service that is the primary activity of the fund. All receipts and disbursements that do not meet these definitions are reported as non-operating.

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

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

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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

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

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

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

**Interfund Transactions**

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in the enterprise fund. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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

**Budgetary Process**

All funds, other than custodial funds, are legally required to be budgeted and appropriated. Budgetary information has not been presented for the Library Enrichment Foundation of the Brumback Library (blended component unit) because it is not included in the entity for which the “appropriated budget” is adopted nor does the entity maintain separate budgetary records. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners’ authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, department, and object level (i.e., General Fund – Commissioners – salaries, supplies, equipment, contract repairs, travel expenses, maintenance, and other expenses).

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2023.

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

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved). Differences between disbursements reported in the fund and entity wide statements versus budgetary expenditures are due to encumbrances outstanding at the end of the year, and non-budgeted activity of some of the departments’ off-book cash accounts. Differences between receipts reported in the fund and entity wide statements versus budgetary receipts are due to unrecorded cash at the beginning and end of year and cash that is held by custodial funds on behalf of County funds on a budget basis are allocated in the appropriate County fund on a modified cash basis. Perspective differences arise from the activity of some funds being included with the General Fund on a modified cash basis because those funds do not meet the requirements to be presented as a separate fund. These funds are not presented on the budget basis because the budget basis only presents the legally adopted budget for the given fund. Although not part of the appropriated budget, the Library Enrichment Foundation of the Brumback Library Special Revenue Fund is included as part of the reporting entity when preparing the modified cash statements.

The adjustments necessary to convert the results of operations for the year on the modified cash basis to the budget basis for the General Fund, and the Motor Vehicle and Gas Tax, Thomas Edison, and the Brumback Library Special Revenue Funds are as follows:

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (Continued)**

	Net Change in Fund Balance			
	General	Motor Vehicle and Gas Tax	Thomas Edison	Brumback Library
Modified Cash Basis	(\$903,139)	(\$54,089)	(\$209,984)	\$275,448
2023 Unrecorded Cash/Agency Fund Allocation	(130,121)	(4,875)	(38,981)	(4,126)
2022 Unrecorded Cash/Agency Fund Allocation	94,177	4,446	33,206	3,630
Activity of Non-budgeted Funds/Perspective Differences	(32,539)	(22,149)	-	(2,557)
Encumbrances	<u>(2,382,300)</u>	<u>(243,748)</u>	<u>(496)</u>	<u>(3,206)</u>
Budget Basis	<u>(\$3,353,922)</u>	<u>(\$320,415)</u>	<u>(\$216,255)</u>	<u>\$269,189</u>

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to Ohio Revised Code (ORC) sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:
  - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other state, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
  - b. Bankers acceptances of banks that are insured by the Federal Deposit Insurance Corporation and that mature not later than 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state, provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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

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

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

***Deposits***

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be able to recover deposits or collateral securities that are in the possession of an outside party.

At year-end, the carrying amount of the County's deposits was \$16,123,933, which includes \$140,293 for the Port Authority component unit's deposits and the bank balance was \$16,497,760. Of the bank balance, \$6,828,231 was covered by federal deposit insurance. \$9,669,529 of the County's bank balance of \$16,497,760 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the County's name.

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

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

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

***Investments***

The fair value of these investments is not materially different than the measurement value. As of December 31, 2023, the County had the following investments:

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2023

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

Investment Type	Measurement Value	Investment Maturities (in Years)		
		Less than 1	1-2	3-5
Vanguard S&P 500 EFT	\$220,615	\$220,615	\$0	\$0
Vanguard Short-term Bond	96,044	96,044	0	0
Vanguard Small-Cap EFT	51,883	51,883	0	0
Vanguard Total International	63,521	63,521	0	0
Northern FDS Stock Index	16,780	16,780	0	0
US Treasury Notes - Library	83,227	83,227	0	0
US Treasury Notes - Treasurer	1,994,398	1,497,601	496,797	0
Certificates of Deposit	4,901,937	1,727,457	2,683,586	490,894
Municipal Bonds	835,000	445,000	390,000	0
First American Treasury Obligation	551,611	551,611	0	0
<b>Total Investments</b>	<b>\$8,815,016</b>	<b>\$4,753,739</b>	<b>\$3,570,383</b>	<b>\$490,894</b>

*Interest Rate Risk* – The County’s investment policy states that the maximum maturity is five years from the settlement date.

*Credit Risk* – The County’s investment policy does not address credit risk. The investment in Vanguard S&P 500 EFT, Vanguard Short-term Bond, Vanguard Small-Cap EFT, Vanguard Total International, Northern FDS Stock Index are common stock and mutual funds and are not rated. The County’s investment in First American Treasury Obligation is rated AAAM by Standard & Poor’s. The US Treasury Notes are rated AA+ by Standard & Poor’s.

*Concentration of Credit Risk* – The County’s investment policy states the investment authority will diversify the investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. The following investments comprised five or more percent of the investment portfolio:

<u>Investment Type</u>	<u>Percentage</u>
Certificates of Deposit	56%
Municipal Issues	10%
US Treasury Notes	23%
First American Treasury Obligation Fund	6%



**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 5 – PROPERTY TAXES**

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

2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2023, was \$7.15 per \$1,000 of assessed value. The assessed values of real property upon which 2023 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>	<u>Percent</u>
Agricultural/Residential Real Property/Commercial/Industrial	\$632,268,910	86.69%
Public Utility Personal Property	97,080,970	13.31%
Total Assessed Valuation	<u>\$729,349,880</u>	<u>100%</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the County. The County Auditor periodically remits to the County its portion of the taxes collected.

**NOTE 6 – PERMISSIVE SALES AND USE TAX**

The County Commissioners, by resolution, imposed a 1.5% tax on all retail sales made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Ohio Department of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

Proceeds of the tax are credited entirely to the General Fund. Sales and use tax revenue in 2023 amounted to \$6,271,138 in the General Fund.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**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/OPEB liability (asset) is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the modified cash basis framework. The Statewide retirement system provide both pension benefits and other postemployment benefits (OPEB).

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

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

GASB 68 and GASB 75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability and net OPEB liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

Plan Description - County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this 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):

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

- \* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- \*\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- \*\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- \*\*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2023

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

The County's contractually required contribution was \$1,789,830 for 2023.

***Pension Liability***

The net pension liability (asset) for OPERS was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the respective measurement dates. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>OPERS Member Directed</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.07473900%	0.02559600%	0.04995700%	
Prior Measurement Date	<u>0.07928900%</u>	<u>0.03088800%</u>	<u>0.05755300%</u>	
Change in Proportionate Share	<u>-0.00455000%</u>	<u>-0.00529200%</u>	<u>-0.00759600%</u>	
Proportionate Share of the:				
Net Pension Liability	\$22,077,933	\$0	\$0	\$22,077,933
Net Pension Asset	0	60,327	3,907	64,234

***Actuarial Assumptions***

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

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

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent 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 percent 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 for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2023

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

<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>	

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

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

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
<b>County's proportionate share of the net pension liability (asset)</b>			
OPERS Traditional Plan	\$33,072,008	\$22,077,933	\$12,932,837
OPERS Combined Plan	(31,483)	(60,327)	(83,187)
OPERS Member Directed	(2,498)	(3,907)	(4,996)

**NOTE 8 - POSTEMPLOYMENT BENEFITS**

**Net OPEB Liability**

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



**NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)**

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

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

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

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

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

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

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

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

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

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

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

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

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)**

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 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

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

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)**

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 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 two percent 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 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

The County's contractually required contribution was \$0 for 2023.

***Net OPEB Liability***

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 County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportionate Share of the Net OPEB Liability:	
Current Measurement Date	0.072344%
Prior Measurement Date	0.076986%
Change in Proportionate Share	-0.0046420%
Proportionate Share of the Net OPEB Liability	\$456,143

***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.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)**

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent 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 percent 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, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 15.6 percent for 2022.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)**

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

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

**Discount Rate** A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the County's 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 percent) or one-percentage-point higher (6.22 percent) than the current rate:

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)**

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
County's proportionate share of the net OPEB liability (asset)	\$1,552,502	\$456,143	(\$448,533)

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability (asset)	\$427,553	\$456,143	\$488,322

**NOTE 9 - RISK MANAGEMENT**

**Insurance**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2023, the County contracted with the Midwest Pool Risk Management Agency, Inc. and the Public Entity Risk Consortium (PERC) for liability, property and crime insurance. The listing below is a general description of insurance coverage. All policy terms, conditions, restrictions, exclusions, etc. are not included.

Coverage provided by Midwest Pool Risk Management Agency, Inc. (MPRMA) and the Public Entity Risk Consortium (PERC) is as follows:

**Property**

- \$500,000,000 limit per occurrence, subject to following limits:
- Building and Contents at 120% of reported value for location
- Flood at \$50,000,000 combined annual aggregate for all MPRMA members
- Earthquake at \$50,000,000 combined annual aggregate for all MPRMA members

**Boiler and Machinery**

- \$100,000,000 per occurrence

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
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**NOTE 9 - RISK MANAGEMENT (Continued)**

Automobile

\$10,000,000 per occurrence

Liability – General, Auto, Law Enforcement, Employee Benefits, Public Official Liability

\$7,000,000 per occurrence (\$2,000,000 primary + \$5,000,000 excess)

Pollution

\$1,000,000 per occurrence and excess aggregate for all MPRMA members

Crime

\$2,000,000

All limits except Boiler and Machinery and Crime are inclusive of MPRMA \$100,000 retention. Van Wert insurance is subject to \$500 property deductible. In addition to the coverage above, the County has insurance under the Ohio School Plan for the Van Wert County Board of DD.

The County pays all elected officials' bonds by statute. Settled claims have not exceeded coverage in the last three years. There have been no material reductions in this coverage from the prior year.

**Health Care Benefits**

The County participates in the County Employee Benefits Consortium of Ohio (CEBCO) for its employees' health, dental and drug card insurance. CEBCO is a not-for-profit corporation and an insurance purchasing pool. (Note 16) The intent of the CEBCO is to achieve the benefit of reduced health insurance premiums by pooling resources to purchase employee benefits. The County pays the annual actuarially determined rate on a monthly basis. Components of the funding rate include the claims fund distribution, incurred but unreported claims, a claim contingency reserve fund, and the fixed cost of the consortium.

The Brumback Library contracts with Medical Mutual for medical insurance.

The County Engineer contracts with MedBen for health care and dental coverage.

The Sheriff's Department receives health coverage through the Teamsters Local Union.

**Workers' Compensation**

The County participates in the County Commissioners' Association of Ohio Workers' Compensation Group Retrospective Rating Program provided by the County Commissioners' Association of Ohio Service Corporation (CCAOSC), a workers' compensation insurance purchasing pool (See Note 16). The intent of the CCAOSC is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each county pays its workers' compensation premium to the State based on the rate for the Plan rather than the county's individual rate.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 9 - RISK MANAGEMENT (Continued)**

In order to allocate the savings derived by the formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program. The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the County is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any county leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

**NOTE 10 – LEASES**

The County entered into several non-cancelable leases. Thomas Edison is leasing a Town & Country van, the Board of Elections is leasing office space, and the Engineer's and Prosecutor's Office are leasing copiers. Lease payments for 2023 were \$41,045. The following schedule is the future minimum rental payments for the leases:

For the Year	
Ending:	Amount
2024	\$20,295
2025	9,206
2026	1,188
2027	1,188
Total	<u>\$31,877</u>

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**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2023

**NOTE 11 - DEBT**

**Governmental Activities Debt**

The changes in the County's long-term obligations of the governmental activities of the County during 2023 follow:

Date of Issue	Description	Interest Rate	Balance at 12/31/2022	Increases	Decreases	Balance at 12/31/2023	Amounts Due in One Year
<b><u>OWDA Loan</u></b>							
2007	Washington Twp/Delphos Sewers	0.00%	\$145,530	-	(\$24,256)	\$121,274	\$24,256
2009	OWDA Loan - 127 Sewer/118 Sewer	0.00%	66,480	-	(7,821)	58,659	7,821
2010	OWDA Loan - Overholt Addition	0.00%	29,332	-	(3,666)	25,666	3,666
			241,342	-	(35,743)	205,599	35,743
<b><u>Energy Improvement Bonds</u></b>							
2012	County Building Improvement	2.91%	242,000	-	(58,000)	184,000	59,000
2019	Developmental Disabilities Board	2.98%	209,000	-	(16,000)	193,000	17,000
			451,000	-	(74,000)	377,000	76,000
<b><u>General Obligation Bonds</u></b>							
2008	Capital Facilities Bond Series B	9.375%	205,000	-	(60,000)	145,000	70,000
2016	Towne Center Refunding	1.87%	945,000	-	(310,000)	635,000	315,000
2020	Administration Building Bonds	1.89%	1,353,000	-	(102,000)	1,251,000	103,000
	<b>Total General Obligation Bonds</b>		2,503,000	-	(472,000)	2,031,000	488,000
	<b>Total Loans and Bonds</b>		\$3,195,342	\$ -	\$(581,743)	\$2,613,599	\$599,743

The following table discloses the original issue amounts for the debt issued:

Issue	Amount
<b>OWDA Loans:</b>	
2007 Washington Twp/Delphos Sewer	\$485,111
2009 Rt. 127 & 118 Sewer	152,520
2010 Overholt - Sewer Design	73,323
<b>Energy Conservation Bonds:</b>	
2012 County Building Improvement	737,000
2019 Developmental Disabilities Board	259,000
<b>General Obligation Bonds:</b>	
2008 Capital Facilities Bonds, Series B	685,000
2016 Capital Facility Refunding Bonds	2,675,000
2020 Administration Building Bonds	1,550,000

In 2008, the County issued capital facilities general obligation bonds to retire the general obligation notes for Towne Center. Series A bonds have a par value of \$3,580,000 and Series B bonds have a par value of \$685,000. The bonds will be paid from revenues received under a City tax financing agreement entered into with the City of Van Wert on October 5<sup>th</sup>, 2004.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
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**NOTE 11 – DEBT (Continued)**

On November 31, 2016, the County issued \$2,675,000 in general obligation bonds for the purpose of advance refunding the 2008 Capital Facilities Bonds, Series A. The old bonds had interest rates ranging from 4 to 4.25 percent and the new bonds have an interest rate of 1.870125%.

In 2007, the County entered into a loan agreement with the Ohio Water Development Authority. The total amount of the loan was finalized in 2009 at \$485,111. The loan is an interest free loan and will be paid semi-annually for 20 years. The City of Delphos will collect a flat fee for debt retirement from those owners of the properties benefiting from the construction of the sewer system. The City of Delphos will remit the fees to the County quarterly and these fees will be used to retire the debt.

On March 26, 2009, the County entered into a loan agreement for with the Ohio Water Development Authority for a Wastewater Treatment Plant Upgrade (Rt. 127 & 118 Sewer). The total project is \$800,385. The County was awarded ARRA monies for this project where \$643,954 of principal has been forgiven as of December 31, 2011. The loan is an interest free loan and will be paid semi-annually for 20 years. The loan was finalized during 2011 for \$152,520 and the first payment was due January 1, 2012.

The City of Van Wert will collect a flat fee for debt retirement from those owners of the properties benefiting from the construction of the sewer system. The City of Van Wert will remit the fees to the County quarterly and these fees will be used to retire the debt.

On August 27, 2009, the County entered into a loan agreement for \$78,855 with the Ohio Water Development Authority for a Sewer Design. The loan is an interest free loan and will be paid semi-annually for 20 years starting July 1, 2011. The loan was finalized in 2011 for \$73,323. This loan is being paid for with transfers from the General Fund.

In 2012, the County issued the County Building Improvement bonds in the amount \$737,000. The serial bonds carry an interest rate of 2.91% and will mature December 1, 2026. The bonds will be paid from energy conservation savings which result from the energy efficiency improvements made with the bond proceeds.

In 2019, the County issued \$259,000 in Developmental Disabilities Board Energy Improvement Bonds. The bonds have an interest rate of 2.98% and mature in 2034.

In 2020, the County issued \$1,550,000 in Administration Building Bonds. The bonds have an interest rate of 1.89% and mature in 2034.

Principal and interest requirements to retire the County's governmental activities long-term obligations outstanding at December 31, 2023, were as follows:

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 11 – DEBT (Continued)**

Year	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2024	\$488,000	\$48,140
2025	500,000	33,720
2026	107,000	18,701
2027	109,000	16,660
2028	112,000	14,572
2029-2033	590,000	40,067
2034-2035	125,000	1,181
Totals	\$2,031,000	\$173,041

Year	OWDA Loans		Energy Conservation Bonds	
	Principal	Interest	Principal	Interest
2024	\$35,743	-	\$76,000	\$10,972
2025	35,743	-	77,000	8,734
2026	35,743	-	81,000	6,467
2027	35,743	-	17,000	4,142
2028	35,743	-	19,000	3,621
2029-2033	26,884	-	97,000	9,625
2034	-	-	10,000	149
Totals	\$205,599	-	\$377,000	\$43,710

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors should not exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and un-voted net debt of the County less the same exempt debt should not exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The effects of the debt limitations at December 31, 2023, are an overall debt margin of \$22,642,050 and an un-voted debt margin of \$8,906,220.

**Conduit Debt**

From time to time, the County has issued bonds to provide financial assistance to private sector entities for the acquisition and construction of facilities deemed to be in the public interest. The proceeds of these bonds do not constitute a general obligation, debt or bonded indebtedness of the County. The County is not obligated in any way to pay debt charges on the bonds from any of its funds; therefore, they have been excluded entirely from the County's debt presentation. Neither is the full faith and credit or taxing power of the County pledged to make repayment. The County has issued the following conduit debt:

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 11 – DEBT (Continued)**

During 2020, the Van Wert County Hospital Association (d/b/a Van Wert Health) issued \$61,290,000 Series 2020 bond that was issued through the county of Van Wert. The proceeds of the bonds will be used to complete the construction of an 80,000 square foot expansion of its main campus adding much-needed modern medical, surgical and labor and delivery space. The proceeds of the bonds were also used to refinance certain existing debt of Van Wert Health. At December 31, 2023, \$60,880,000 was outstanding.

**NOTE 12 - INTERFUND TRANSACTIONS**

Advances not repaid at year-end and are not presented on the face of the financial statements.

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	Balance 12/31/22	Increases	Decreases	Balance 12/31/23
General	Delphos Sewer	\$3,196	-	(\$3,196)	-
General	Revolving Loan Fund	-	\$100,000	(100,000)	-
General	Towne Center Bond	31,695	-	(31,695)	-
Totals		<u>\$34,891</u>	<u>\$100,000</u>	<u>(\$134,891)</u>	<u>-</u>

The following transfers were made during 2023:

		<u>Transfers From</u>				Total
		General	Motor Vehicle and Gas Tax	Thomas Edison	Other Governmental	
Transfers to	General	\$0	\$0	\$0	\$11,571	\$11,571
	Other Governmental	204,665	126,608	22,109	-	353,382
	Total	<u>\$204,665</u>	<u>\$126,608</u>	<u>\$22,109</u>	<u>\$11,571</u>	<u>\$364,953</u>

The General Fund transferred \$118,266 for debt service obligations. The General Fund also transferred \$44,450 to the Department of Job and Family Services, \$4,914 to CSEA, \$20,000 to the Dog and Kennel Fund, and \$17,035 to the Emergency Management Agency.

The Motor Vehicle and Gas Tax Special Revenue Fund transferred \$126,608 to the Engineer Building Note Fund.

The Thomas Edison special revenue fund transferred \$22,109 to the Thomas Edison Bond Fund.

The Common Pleas Court Special Project Fund transferred \$11,571 to the General Fund.

**NOTE 13 – DISCRETELY PRESENTED COMPONENT UNITS**

**Summary of Significant Accounting Policies**

**A. Nature of Organizations**

(1) The Van Wert County Port Authority is a legally separate organization created to maintain and operate the rail property located within the County.

(2) The Van Wert County Land Reutilization Corporation (the Land Bank) was created August 2, 2016, by resolution of the Van Wert County Commissioners.

**B. Classification of Net Position**

The unrestricted component of net position is comprised of the amount upon which donors have placed no restriction on expenditure of these assets themselves or their investment income.

**C. Assets held for Resale**

Assets held for resale are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**D. Inventories**

The component units report disbursements for inventory items when paid. These items are not reflected as assets in the accompanying financial statements.

**E. Capital Assets**

Capital assets are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**F. Deposits and Investments**

Cash and cash equivalents held by the Van Wert County Land Bank are classified as "Cash and Cash Equivalents in Segregated Accounts," meaning any investment with an original maturity of three months or less. Cash and cash equivalents held by the Van Wert County Port Authority is presented in the account "Equity in Pooled Cash and Cash Equivalents" because its funds are included in the County Treasurer's cash management pool.

1. Since the County Auditor is the fiscal agent for the Van Wert County Port Authority, the Port Authority follows the same investment guidelines as the County Treasurer. Information concerning deposits for the Port Authority can be found in Note 4.
2. The carrying amount of the Land Bank was \$432,414. At year-end, \$182,414 of the Corporation's bank balance of \$432,414 was exposed to custodial credit risk because those deposits were unsecured and uncollateralized.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 14 – JOINT VENTURE**

**Van Wert County Regional Planning Commission**

The Van Wert County Regional Planning Commission (the Commission) is a joint venture among the County, the City of Van Wert, and townships and villages within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is comprised of thirty members of which two-thirds are elected officials. The County must be represented by the three County Commissioners, a County Health Official, the County Engineer, the County Recorder, the County Auditor, the Sheriff and the County Extension Agent. Other members include: a representative from all participating Boards of Township Trustees; the Mayor or a Council member of each participating incorporated village; two representatives from the City of Van Wert, one being the Mayor or his designee and one being appointed by City Council. The remaining members of the Commission are representatives from public utility, minority groups, business, industry, Ministerial Association, farm organizations, Chamber of Commerce and other representatives as deemed necessary by the Commission.

The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. The County made \$2,500 in contributions during 2023 for the operations of the Commission. The Commission is a joint venture since it cannot continue to exist without the financial support of the County. The County does not have an equity interest in the joint venture. The Commission is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Complete financial statements can be obtained from the Commission located at 121 East Main Street, Van Wert, Ohio 45891.

**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

**Alcohol, Drug Addiction and Mental Health Services Board of Mercer, Paulding and Van Wert Counties (Tri County Mental Health Board)**

The Tri County Mental Health Board is a jointly governed organization among Mercer, Paulding and Van Wert counties. The Tri County Mental Health Board provides leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services. The ability to influence operations depends on the County's representation on the Board. The Board of Trustees consists of eighteen members: four members are appointed by the Director of the Ohio Department of Mental Health, four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services and the remaining ten members are appointed by the County Commissioners of Mercer, Paulding and Van Wert counties in the same proportion as the County's population bears to the total population of the three counties combined. The majority of the Tri County Mental Health Board's revenue comes from a property tax levied by the Tri County Mental Health Board. During 2023, the tax levy provided \$560,337 for the operations of the organization. These monies were collected and distributed by the County on behalf of the Tri County Mental Health Board. There were no County contributions.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio**

The Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio (the CIC) is a jointly governed organization between the City and the County. The general purpose of the CIC is to pursue and maintain economic development within the County. The CIC is governed by a Board of Trustees made up of fifteen members, who include: three elected or appointed officers of the City, to be designated annually by the City Council; three elected or appointed officers of the County, to be designated annually by the Board of County Commissioners; six people to be designated annually by the Board of Trustees of The Van Wert Area Chamber of Commerce; the President of the Van Wert Industrial Development Corporation (in ex officio status); and two people who are residents of the County, to be elected at the annual meeting of the members by a majority of the members listed previously. During 2023, the County contributed \$0 to the CIC.

**Van Wert County Council on Aging, Inc.**

The Van Wert County Council on Aging, Inc. (the Council) is a jointly governed organization among the County, the City of Van Wert, neighboring townships, and local related organizations. The Council was formed to secure and maintain maximum independence and dignity for older persons (1) in a home environment for older persons capable of self-care with appropriate supportive services by providing such services and to remove individual and social barriers to economic and personal independence, (2) in a home-like environment for older persons not capable of self-care with adequate institutional situations by providing assistance to these institutions in developing policy. The Board of Directors consists of thirteen members, who represent, as nearly as possible, a cross section of the entire county population. Representatives of local health services, low-income persons, the clergy, government officials, consumers and other concerned citizens shall be appointed to the Board. The majority of the Council's revenue comes from a property tax levied by the Council. During 2023, the tax levy provided \$311,865 for the operations of the organization. These monies were collected and distributed by the County on behalf of the Council. There were no County contributions.

**Northwest Ohio Waiver Administration Council**

The Northwest Ohio Waiver Administration Council (NOWAC) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. NOWAC is a council of governments directed by a seven-member Board of Council Members. The Board consists of the Superintendents of the member County Boards of Developmental Disabilities (County Boards of DD). The member County Boards of DD include: Defiance, Fulton, Henry, Paulding, Van Wert and Williams Counties.

NOWAC provides quality assurance reviews for various member County Boards of DD residential programs and also administers the residential programs for Defiance, Van Wert and Williams County Boards of DD. NOWAC provides investigation of Major Unusual Incidents (MUIs) for the Defiance, Putnam, Henry, Fulton, Paulding, Van Wert, and Williams County Boards of DD.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 16 – INSURANCE POOLS**

**Midwest Pool Risk Management Agency, Inc.**

The Midwest Pool Risk Management Agency, Inc., (the Pool) is an Ohio nonprofit corporation established by five counties for the purpose of establishing a risk-sharing insurance program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by the Pool. Coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' error and omissions liability insurance. Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Pool are managed by an elected board of not more than five trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of the Pool is limited to its voting authority and any representation it may have on the board of trustees.

**The County Commissioners' Association of Ohio Service Corporation**

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

**The Ohio School Plan**

Ohio School Plan - The County participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP was created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the sole purpose of enabling members of the OSP to provide for a formalized, jointly administered self-insurance program to maintain adequate self-insurance protection, risk management programs and other administrative services.

The OSP's business and affairs are conducted by a 12-member Board of Directors consisting of school district superintendents and treasurers. The OSP has an agreement with Hylant Administrative Services, LLC to provide underwriting, claims management, risk management, accounting, system support services, sales and marketing to the OSP. Hylant Administrative Services, LLC also coordinates reinsurance brokerage services for the OSP.



**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 16 – INSURANCE POOLS** (continued)

**County Employee Benefits Consortium of Ohio**

The County participates in the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), an Ohio non-for-profit corporation and insurance purchasing pool with membership open to Ohio counties, to collectively pool resources to purchase employee benefits. The County pays the annual actuarially determined rate on a monthly basis. Components of the funding rate include the claims fund distribution, incurred not unreported claims, a claim contingency reserve fund, and the fixed cost of the consortium.

The business and affairs of the consortium are governed by a board comprised of elected representatives of counties that participate in the program. Directors are commissioners of member counties. Each member of the consortium is entitled to one vote at the annual meeting to elect the governing board.

**NOTE 17 – FISCAL AGENT RELATIONSHIPS**

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

In the case of separate agencies, boards and commissions listed below, the County serves as the fiscal agent and custodian, but does not exercise primary oversight responsibility; accordingly, the following districts and agencies are presented as custodial funds within the County's financial statements:

**Van Wert County General Health District**

The five-member Board of Health is appointed by the District Advisory Council. The District Advisory Council is comprised of the president of the board of county commissioners, the chief executive of each municipal corporation not constituting a city health district, and the chairperson of the board of township trustees of each township. Financial information can be obtained from Daryl L. Dowdy, Health Commissioner 1179 Westwood Dr, Ste 300, Van Wert, Ohio 45891.

**Soil and Water Conservation District (SWCD)**

A five-member, publicly elected Board of Supervisors, governs the SWCD. They are elected to a three-year term with no limits. They adopt their own budget and control their separate operations. Financial information can be obtained from Becky Dowler, Office Manager, 1185 Professional Drive, Van Wert, OH 45891.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 17 – FISCAL AGENT RELATIONSHIPS** (Continued)

**Van Wert County Park District**

A three-member board appointed by the probate judge governs the Park District. They are elected to three-year terms. They adopt their own budget and control their separate operations. Financial information can be obtained from the Van Wert County Park District at 1185 Professional Drive, Van Wert, OH 45891.

**Regional Planning Commission**

The Regional Planning Commission is also not part of the County reporting entity although it is presented as custodial funds within the County’s financial statements.

**NOTE 18 – CONTRACTUAL COMMITMENTS**

The County had the following commitments at December 31, 2023:

Company	Purpose	Contract	Spent	Balance
City of Delphos	Water Main Replacement Project	\$380,000	-	\$380,000
Willshire Corporation	Fire Station Building	124,500	-	124,500
Village of Middlepoint	Waterline Replacement Project	140,000	-	140,000
Village of Convoy	Sanitary Sewer Rehab	250,000	-	250,000
Van Wert Regional Airport	Runway Extension Project	420,000	\$40,000	380,000
Rager Home Improvement	Window Replacement Project	250,000	10,350	239,650
Van Wert Commissioners	New Payroll/Budget Software	300,000	-	300,000
		<u>\$1,864,500</u>	<u>\$50,350</u>	<u>\$1,814,150</u>

**NOTE 19 – COMPLIANCE**

Ohio Administrative Code Section 117-2-03(B) requires the County to file annual financial reports which are prepared using generally accepted accounting principles (GAAP). For 2023, the County prepared financial statements that, although formatted similar to financial statements prescribed by Governmental Accounting Standard Board Statement No. 34, report on the basis of cash receipts and cash disbursements rather than GAAP. The accompanying financial statements and notes omit assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Revised Code Section 117.38, the County may be fined and subject to various other administrative remedies for its failure to file the required financial report.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2023

**NOTE 20 – FUND BALANCE**

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

	General	Motor Vehicle and Gas Tax	Thomas Edison	Brumback Library	Other Governmental Funds	Total
<b>Nonspendable</b>						
Unclaimed Monies	\$8,979	-	-	-	-	\$8,979
Total Nonspendable	8,979	-	-	-	-	8,979
<b>Restricted for</b>						
Development Disabilities Job and Family/Children Services/CSEA	-	-	\$3,417,398	-	-	3,417,398
Motor Vehicle & Gas Tax	-	\$1,931,491	-	-	\$660,428	660,428
Library Services	-	-	-	\$2,043,094	-	2,043,094
Ditch Maintenance	-	-	-	-	1,457,972	1,457,972
Debt Service	-	-	-	-	64,941	64,941
Capital Projects	-	-	-	-	12,219	12,219
Real Estate Assessment	-	-	-	-	858,999	858,999
Other Purposes	15,002	-	-	-	2,195,397	2,210,399
Total Restricted	15,002	1,931,491	3,417,398	2,043,094	5,249,956	12,656,941
<b>Committed</b>						
Building and Grounds Improvement	-	-	-	-	57,427	57,427
<b>Assigned</b>						
Next Year Appropriations	3,640,335	-	-	-	-	3,640,335
Outstanding Encumbrances	2,383,800	-	-	-	-	2,383,800
Total Assigned	6,024,135	-	-	-	-	6,024,135
<b>Unassigned</b>	2,968,269	-	-	-	-	2,968,269
<b>Total</b>	9,016,385	\$1,931,491	\$3,417,398	\$2,043,094	\$5,307,383	\$21,715,751

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 20 – FUND BALANCE** (Continued)

The County records all encumbrances and does not have a policy of what encumbrances are considered significant encumbrances. All encumbrances are classified as assigned fund balance in the General Fund and restricted in the major and non-major governmental funds.

Encumbrances as of year-end were:

Fund	Assigned	Restricted
General	\$2,383,800	-
Motor Vehicle and Gax Tax	-	\$243,748
Thomas Edison	-	496
Brumback Library	-	3,206
Non-Major Governmental Funds	-	324,831
Totals	\$2,383,800	\$572,281

**NOTE 21 – CHANGES IN ACCOUNTING PRINCIPLES**

GASB Statement No. 96 (Subscription Based IT Arrangement or SBITA). A SBITA is a contract that gives one the right to use another party's IT software for a defined period in an exchange or exchange-like transaction. The statement had no effect on the financial statements.

GASB Statement No. 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements). GASB No. 94 defines PPP as an arrangement where a government (the transferor) contracts with an operator for public services by giving the right to operate or use a non-financial asset (i.e., infrastructure) for a period in an exchange or exchange-like transaction. The transferor can change and approve which services the operator provides, to whom, and prices that can be charged. What's more, the transferor is entitled to residual interest in the service utility of the PPP asset at the end of the arrangement. The statement had no effect on the financial statements.

GASB Statement No. 100 (Accounting Changes and Error Corrections). This statement is an amendment of No. 62. GASB No. 100 defines accounting changes as changes in accounting principles, changes in estimates, and/or changes to or within the financial reporting entity. Implementation of changes/corrections must be identified as prospective or retrospective. Prior period financial statements must be restated. Financial statements must display the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position by reporting unit. The statement had no effect on the financial statements.

**Van Wert County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 22 – TAX ABATEMENT DISCLOSURES**

As of December 31, 2023, the County provides tax incentives under the Van Wert County Enterprise Zone. Ohio Revised Code Section 5709.61 through 5709.69 has authorized counties to designate areas as Enterprise Zones and to execute agreements with certain enterprises for the purpose of establishing, expanding, renovating or occupying facilities and hiring new employees and preserving jobs within said zones in exchange for specified local tax incentives granted by the county. Through the Van Wert County Enterprise Zone, an exemption can be offered to effectively abate up to 100 percent local real property taxes for a period of up to 15 years. The local school board must agree to any abatement over 75% prior to the company going forward with the qualifying project. The Enterprise Zone Program is reserved for manufacturing, distribution or service-related projects only. Retail can apply through the CRA program. All of the City of Van Wert is within an established Enterprise Zone.

	Total Taxes Abated
Enterprise Zone Agreement	\$193,360

**NOTE 23 - CONTINGENT LIABILITIES**

**Grants**

The County has received federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the County Commissioners believe such disallowance, if any, would be immaterial.

**Litigation**

The County was party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The County management is of the opinion that the ultimate disposition will not have a material effect on the financial statements.

**Pandemic**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the County did not receive COVID-19 funding. The County will continue to spend available COVID-19 funding received in prior years consistent with the applicable program guidelines.

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VAN WERT COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>(Passed Through Ohio Department of Education and Workforce)</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A		\$1,512
National School Lunch Program	10.555	N/A		2,298
Total Child Nutrition Cluster				<u>3,810</u>
<i>(Passed Through Ohio Department of Job and Family Services)</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	JFSCFJ23 / B23 / B34		193,086
Total SNAP Cluster:				<u>193,086</u>
Total U.S. Department of Agriculture				<u>196,896</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>(Passed Through Ohio Department of Development)</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	BC-19-1CV-1		5
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	BF-22-1CV-1		35,787
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	BF-18-1CV-1		2,725
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	BC-21-1CV-1		61,421
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	BX-21-1CV-1		14,738
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				<u>114,676</u>
HOME Investment Partnerships Program	14.239	BC-21-1CV-2		204,678
Total U.S. Department of Housing and Urban Development				<u>319,354</u>
<b>U.S. DEPARTMENT OF LABOR</b>				
<i>(Passed Through Ohio Department of Job and Family Services)</i>				
Unemployment Insurance	17.225	N/A		12,226
WIOA Cluster:				
WIOA - Adult Program	17.258	N/A		105,433
WIOA - Youth Activities	17.259	N/A		33,226
WIOA - Dislocated Worker Formula Grants	17.278	N/A		20,393
Total WIOA Cluster:				<u>159,052</u>
Total U.S. Department of Labor				<u>171,278</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<i>(Passed Through Ohio Department of Public Safety)</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	69A375223000040200H0		14,771
Total Highway Safety Cluster:				<u>14,771</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	69A375223000016400HA		16,697
Total U.S. Department of Transportation				<u>31,468</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
<i>(Direct)</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		412,032
<i>(Passed Through Ohio Department of Job and Family Services)</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	JFSSSTFO		6,956
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds				418,988
Total U.S. Department of The Treasury				<u>418,988</u>

VAN WERT COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b> <i>(Passed Through Ohio Department of Job &amp; Family Services)</i>				
Promoting Safe and Stable Families	93.556	JFSCPFPS, JFSCPREU, JFSCP4BV, JFSCP4BP, JFSCP4BR		14,625
Child Support Services	93.563	JFSFCC22/24, JFSCS161, JFSCS231		429,681
Stephanie Tubbs Jones Child Welfare Services Program	93.645	JFSCP4B1		33,612
Foster Care Title IV-E	93.658	JFSCP4ET, JFSCP4EC		41,593
Adoption Assistance	93.659	JFSCP4ET		73,345
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	JFSCPIND		376
Temporary Assistance for Needy Families	93.558	JFSCTF22/23/24		990,879
CCDF Cluster: Child Care and Development Block Grant	93.575	JFSCCD23 / 24	\$14,503	14,503
Total CCDF Cluster:			<u>\$14,503</u>	<u>14,503</u>
<i>(Passed Through Ohio Department of Developmental Disabilities)</i>				
Social Services Block Grant	93.667	2301OHSOSR		19,724
<i>(Passed Through Ohio Department of Job and Family Services)</i>				
Social Services Block Grant	93.667	JFSCSS23 / 43 JFSCTX23		304,156
Total Social Services Block Grant Program				<u>323,880</u>
Elder Abuse Prevention Interventions Program	93.747	JFSCEB21		19,232
Medicaid Cluster: <i>(Passed Through Ohio Department of Job and Family Services)</i>				
Medical Assistance Program	93.778	MCDFMT23 / 24 JFSCPMCW		269,399
Total Medicaid Cluster:				<u>269,399</u>
Total U.S Department of Health and Human Services				<u>2,211,125</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b> <i>(Passed Through Ohio Emergency Management Agency)</i>				
Emergency Management Performance Grants	97.042	N/A		56,720
Total U.S. Department of Homeland Security				<u>56,720</u>
Total Expenditures of Federal Awards			<u>\$14,503</u>	<u>\$3,405,829</u>

*The accompanying notes are an integral part of this schedule.*



**VAN WERT COUNTY**

**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 Van Wert County (the County's) 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 County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting, except expenditures passed through Ohio Department of Job and Family Services for the WIOA Cluster which are presented on an accrual basis. 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 County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - SUBRECIPIENTS**

The County passes certain federal awards received from Ohio Department of Job and Family Services to other governments or not-for-profit agencies (sub-recipients). As Note B describes, the County reports expenditures of Federal awards to sub-recipients when paid in cash, except expenditures passed through Ohio Department of Job and Family Services for the WIOA Cluster are presented on an accrual basis.

As a pass-through entity, the County has certain compliance responsibilities, such as monitoring its sub-recipients to help assure they use these sub-awards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that sub-recipients achieve the award's performance goals.

**NOTE E - CHILD NUTRITION CLUSTER**

The County commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the County assumes it expends federal monies first.

**NOTE F - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE**

The current cash balance on the County's local program income account as of December 31, 2023 is \$50,094.

**NOTE G - MATCHING REQUIREMENTS**

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

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# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Van Wert County  
121 E. Main Street  
Van Wert, Ohio 45891

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the modified cash-basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Wert County, (the County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 22, 2024, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

### ***Report on Internal Control Over Financial Reporting***

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

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

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

**Report on Compliance and Other Matters**

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

**County's Response to Finding**

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

**Purpose of this Report**

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



Robert R. Hinkle, CPA, CGFM  
Chief Deputy Auditor  
Columbus, Ohio

July 22, 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 EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Van Wert County  
121 E. Main Street  
Van Wert, Ohio 45891

To the Board of County Commissioners:

### Report on Compliance for Each Major Federal Program

#### ***Opinion on Each Major Federal Program***

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

In our opinion, Van Wert County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

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

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

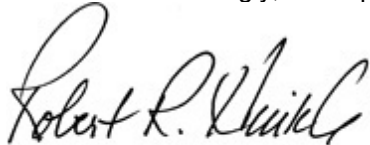
### **Report on Internal Control Over Compliance**

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.



Robert R. Hinkle, CPA, CGFM  
Chief Deputy Auditor  
Columbus, Ohio

July 22, 2024

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

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Coronavirus State and Local Fiscal Recovery Funds – AL #21.027  Temporary Assistance for Needy Families (TANF) – AL #93.558
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

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

**FINDING NUMBER 2023-001**

**Noncompliance – Not Filing in Accordance with GAAP**

**Ohio Rev. Code § 117.38** provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

**FINDING NUMBER 2023-001  
(Continued)**

**Ohio Admin. Code § 117-2-03(B)**, which further clarifies the requirements of Ohio Rev. Code § 117.38, requires the County and the Land Reutilization to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

The County and Land Reutilization Corporation prepared financial statements that, although formatted similar to financial statements prescribed by Governmental Accounting Standards Board, report on the modified cash basis of accounting, rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38 the County and Land Reutilization Corporation may be fined and subject to various other administrative remedies for the failure to file the required financial report. Failure to report on a GAAP basis compromises the County's and Land Reutilization Corporation's ability to evaluate and monitor the overall financial condition of each entity. To help provide the users with more meaningful financial statements, the County and Land Reutilization Corporation should prepare annual financial statements according to generally accepted accounting principles.

**Officials' Response**

Because of the savings, and no significant and quantifiable advantage of using GAAP over OCBOA, there is no anticipation of going back to GAAP at this time.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

**None.**



*Jami Bradford*  
*Van Wert County Auditor*

Van Wert County Courthouse  
 121 East Main Street, Van Wert, OH 45891  
 Phone: 419-238-0843 Fax: 419-238-1111  
 Email: auditor@vanwertcounty.org

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**2 CFR 200.511(b)**  
**DECEMBER 31, 2023**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2022-001	Ohio Rev. Code 117.38 and Ohio Admin Code 117-2-03 (B) - Failure to File GAAP. First reported in 2019-001.	Not corrected.  Repeated as Finding 2023-001	Due to the savings there is not a significant advantage of using GAAP over OCBOA at this time.
2022-002	2 CFR § 200.1 – Coronavirus State and Local Fiscal Recovery - Improper period of performance.	Fully Corrected.	

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*Jami Bradford*  
*Van Wert County Auditor*

Van Wert County Courthouse  
121 East Main Street, Van Wert, OH 45891  
Phone: 419-238-0843 Fax: 419-238-1111  
Email: auditor@vanwertcounty.org

**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(b)**  
**December 31, 2023**

<b>Finding Number:</b>	2023-001 Failure to file GAAP
<b>Planned Corrective Action:</b>	Because of the savings, there is no anticipation of going back to GAAP.
<b>Anticipated Completion Date:</b>	N/A
<b>Responsible Contact Person:</b>	Jami Bradford, County Auditor

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# OHIO AUDITOR OF STATE KEITH FABER



**VAN WERT 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 8/15/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)