



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**BUCKEYE HILLS REGIONAL COUNCIL
WASHINGTON COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2024**



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

Members of the Board
Buckeye Hills Regional Council
1400 Pike Street
Marietta, Ohio 45750

We have reviewed the *Independent Auditor's Report* of Buckeye Hills Regional Council, Washington County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

March 08, 2025

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BUCKEYE HILLS REGIONAL COUNCIL

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INDEPENDENT AUDITOR'S REPORT

Buckeye Hills Regional Council
Washington County
1400 Pike Street
Marietta, Ohio 45750

To the Members of the Board:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Buckeye Hills Regional Council**, Washington County, Ohio (the Council), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Buckeye Hills Regional Council, Washington County, Ohio as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council'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 Council'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 Council's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are 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 December 23, 2024, on our consideration of the Council'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 Council'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 Council's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

December 23, 2024

**BUCKEYE HILLS REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Buckeye Hills Regional Council's (the Council) financial performance provides an overall review of the Council's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Council's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Council's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- Net position of governmental activities increased by \$83,915.
- Intergovernmental revenues in the form of federal and state grant funds for governmental activities accounted for \$22,255,924 in revenue, or 91.9 percent of all governmental revenues. Program specific revenues in the form of charges for services accounted for \$565,267, or 2.5 percent of total revenues of \$ 22,930,446.
- The Council had \$22,846,531 in expenses related to governmental activities; all but \$25,340 of these expenses were offset by program-specific charges for services, grants, and contributions.
- No new loans were made from the Revolving Loan Fund in the current year.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE COUNCIL AS A WHOLE

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the Council to provide programs and activities for citizens, the view of the Council as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2024?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Council's net position and changes in position. This change in net position is important because it tells the reader that, for the Council as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the availability of federal and state grant funding, continued support from member governments, and other factors.

**BUCKEYE HILLS REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

REPORTING THE COUNCIL'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the Council's major funds is included in the fund financial statements. Fund financial statements provide detailed information about the Council's major funds. The Council uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Council's most significant funds. The Council's major governmental funds are the General, Appalachian Development Corporation, Buckeye Hills Foundation, and Medicaid funds.

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements begin on page 15 of this report.

Government-Wide Financial Analysis

Recall that the statement of net position provides the perspective of the Council as a whole. Table 1 provides a summary of the Council's net position as of June 30, 2024, compared to the year ended June 30, 2023. The Council has only governmental funds.

**BUCKEYE HILLS REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

**TABLE 1
NET POSITION**

	<u>2024</u>	<u>2023</u>
Assets		
Current and Other Assets	\$ 3,847,182	\$ 3,965,160
Capital Assets, Net	1,577,190	1,611,357
Net OPEB Asset	160,749	-
Total Assets	<u>5,585,121</u>	<u>5,576,517</u>
Total Deferred Outflows of Resources	<u>1,438,923</u>	<u>2,399,150</u>
Liabilities		
Current and Other Liabilities	2,342,423	2,648,180
Net Pension Liability	4,893,904	5,697,388
Net OPEB Liability	-	115,126
Other Long-Term Liabilities	1,495,536	1,407,851
Total Liabilities	<u>8,731,863</u>	<u>9,868,545</u>
Total Deferred Inflows of Resources	<u>162,879</u>	<u>61,735</u>
Net Position		
Net Investment in Capital Assets	276,938	257,142
Restricted	1,127,068	738,310
Unrestricted (Deficit)	(3,274,704)	(2,950,065)
Total Net Position	<u>\$ (1,870,698)</u>	<u>\$ (1,954,613)</u>

Please see Notes 3 and 4 of the financial statements for a more complete discussion of the net OPEB asset, net pension liability, deferred outflows and deferred inflows related to pensions and OPEB.

Total assets increased \$8,604. Cash and cash equivalents decreased by \$793,731. Cash in other funds decreased due to the timing of when grant funding was received. Grants receivable increased by \$675,753. Total liabilities decreased by \$1,136,682, primarily the result of a decrease in net pension liability and Net OPEB liability.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2024, compared to the fiscal year ended June 30, 2023.

**BUCKEYE HILLS REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

**TABLE 2
CHANGE IN NET POSITION**

	<u>2024</u>	<u>2023</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 565,267	\$ 721,432
Operating Grants and Contributions	22,255,924	17,669,861
Total Program Revenues	<u>22,821,191</u>	<u>18,391,293</u>
General Revenues:		
Interest Income	1,552	282
Miscellaneous	107,703	86,532
Total General Revenues	<u>109,255</u>	<u>86,814</u>
Total Revenues	<u>22,930,446</u>	<u>18,478,107</u>
Expenses		
General Government	22,789,751	18,909,807
Interest	56,780	60,091
Total Expenses	<u>22,846,531</u>	<u>18,969,898</u>
Change in Net Position	83,915	(491,791)
Net Position, Beginning of Year	<u>(1,954,613)</u>	<u>(1,462,822)</u>
Net Position, End of Year	<u>\$ (1,870,698)</u>	<u>\$ (1,954,613)</u>

In fiscal years 2024 and 2023, 97% and 95.6% percent of the Council's revenues were from operating grants and contributions.

Program revenues accounted for nearly all the Council's revenues in both fiscal years. These revenues consist of various federal and state grants and charges for services, including interest on revolving loan fund loans.

Net position increased in 2024 primarily because of an increase in program and general revenues, along with the effects of the net pension and net OPEB liabilities/ (assets).

General government activities account for almost 100 percent of total program expenses, with interest expense accounting for the remaining portion of expenses.

THE COUNCIL'S FUNDS

The Council's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$22,951,724 and expenditures of \$22,763,945, resulting in a decrease in total fund balances of \$187,779. The Council's major funds consist of the General, Medicaid, Appalachian Development Corporation, and Buckeye Hills Foundation funds.

The General Fund's expenditures exceeded revenues by \$40,230 in 2024, compared to the expenditures exceeding revenues by \$204,833 in the fiscal year 2023.

**BUCKEYE HILLS REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

ECONOMIC FACTORS

The Council is currently operating within its means. However, the Council's ability to attract administrative and program funds for its projects is heavily dependent upon the federal and state governments and the availability of grant funds. Nearly all the Council's funds come from federal and state grants. The Council operates within a designated eight-county area of Southeastern Ohio. Loans made through the Revolving Loan Fund are to businesses within this area. The ability of borrowers to repay these loans is largely contingent upon the business economy in the eight-county area.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the Council had \$1,577,190 invested in land, buildings, office equipment, land improvements, and computer equipment. Table 3 shows the fiscal year 2024 balances as compared to 2023.

**TABLE 3
CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)**

	Governmental Activities	
	2024	2023
Land	\$ 369,100	\$ 369,100
Building	1,147,112	1,191,591
Land Improvements	-	8,600
Office Equipment	46,430	25,198
Computer Equipment	14,548	16,868
Total	<u>\$ 1,577,190</u>	<u>\$ 1,611,357</u>

Changes in capital assets from the prior year resulted from additions, deletions, and depreciation expense. See Note 5 to the basic financial statements for more detailed information on the Council's capital assets. The Council's significant capital asset additions included building improvements.

Debt

The Appalachian Development Corporation, Inc., a component unit of the Council, had an outstanding loan from the U.S. Department of Agriculture with a balance of \$1,281,130 and an outstanding loan balance of \$19,122 from Settlers Bank as of June 30, 2024. See Note 7 to the basic financial statements for more detailed information on the Council's debt.

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the Council's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Denise Keyes, Fiscal Director, 1400 Pike Street, Marietta, Ohio 45750.

BUCKEYE HILLS REGIONAL COUNCIL
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Equity in Pooled Cash and Cash Equivalents - Council	\$ 1,584,139
Equity in Pooled Cash and Cash Equivalents - ADC	203,618
Equity in Pooled Cash and Cash Equivalents - BHF	24,888
Deposits in Loan Escrow Account - ADC	98,445
Grants Receivable	1,936,092
Noncurrent Assets	
Net OPEB Asset	160,749
Nondepreciable Capital Assets - Council	8,000
Nondepreciable Capital Assets - ADC	361,100
Depreciable Capital Assets, Net - Council	94,235
Depreciable Capital Assets, Net - ADC	1,113,855
<i>Total Assets</i>	<u>5,585,121</u>
DEFERRED OUTLOWS OF RESOURCES	
Pension	1,298,192
OPEB	140,731
<i>Total Deferred Outflows of Resources</i>	<u>1,438,923</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	1,519,623
Accrued Wages and Benefits	94,365
Contractual Advances	728,435
Long-Term Liabilities	
Due within One Year	56,345
Due in More than One Year	
Net Pension Liability	4,893,904
Mortgage Payable - ADC	1,240,026
Loan Payable - ADC	3,881
Other Amounts Due in More than One Year	195,284
<i>Total Liabilities</i>	<u>8,731,863</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	70,854
OPEB	92,025
<i>Total Deferred Inflows of Resources</i>	<u>162,879</u>
NET POSITION	
Net Investment in Capital Assets	276,938
Restricted for:	
Program Operations	624,215
Net OPEB Asset	160,749
Business Development Loans	342,104
Unrestricted (Deficit)	(3,274,704)
<i>Total Net Position</i>	<u>\$ (1,870,698)</u>

See accompanying notes to the financial statements.

BUCKEYE HILLS REGIONAL COUNCIL
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	Program Revenues			Net Expense and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government - Council	\$ 22,515,926	\$ 331,205	\$ 22,255,820	\$ 71,099
General Government - ADC	265,162	234,062	-	(31,100)
General Government - BHF	8,663	-	104	(8,559)
Interest - ADC	56,780	-	-	(56,780)
Total Governmental Activities	<u>\$ 22,846,531</u>	<u>\$ 565,267</u>	<u>\$ 22,255,924</u>	<u>(25,340)</u>
General Revenues				
Interest Income - ADC				1,552
Miscellaneous - Council				99,144
Miscellaneous - BHF				8,559
<i>Total General Revenues</i>				<u>109,255</u>
Change in Net Position				83,915
<i>Net Position, Beginning of Year</i>				<u>(1,954,613)</u>
<i>Net Position, End of Year</i>				<u>\$ (1,870,698)</u>

See accompanying notes to the financial statements.

BUCKEYE HILLS REGIONAL COUNCIL
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Medicaid Fund	Appalachian Development Corporation	Buckeye Hills Foundation	Other Governmental Funds	Total Governmental Funds
ASSETS						
Equity in Pooled Cash and						
Cash Equivalents	\$ 1,013,366	\$ 413,850	\$ 203,618	\$ 24,888	\$ 156,923	\$ 1,812,645
Deposits in Loan Escrow Account	-	-	98,445	-	-	98,445
Grants Receivable	176,980	1,070,422	-	-	688,690	1,936,092
Due from Other Funds	-	-	21,278	-	-	21,278
Total Assets	\$ 1,190,346	\$ 1,484,272	\$ 323,341	\$ 24,888	\$ 845,613	\$ 3,868,460
LIABILITIES						
Accounts Payable	\$ 99,760	\$ 1,353,481	\$ (18,763)	\$ -	\$ 85,145	\$ 1,519,623
Due to Other Funds	21,278	-	-	-	-	21,278
Accrued Wages and Benefits	20,392	53,601	-	-	20,372	94,365
Contractual Advances	510,476	-	-	24,888	193,071	728,435
Total Liabilities	651,906	1,407,082	(18,763)	24,888	298,588	2,363,701
FUND BALANCES						
Restricted	-	77,190	342,104	-	547,025	966,319
Unassigned	538,440	-	-	-	-	538,440
Total Fund Balances	538,440	77,190	342,104	-	547,025	1,504,759
Total Liabilities and Fund Balances	\$ 1,190,346	\$ 1,484,272	\$ 323,341	\$ 24,888	\$ 845,613	\$ 3,868,460

See accompanying notes to the financial statements.

BUCKEYE HILLS REGIONAL COUNCIL
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
For the Fiscal Year Ended June 30, 2024

Total Governmental Fund Balances	\$ 1,504,759
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***Amounts reported for governmental activities in the
statement of net position are different because:***

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,577,190
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The net pension asset and liability are not due and payable in the current period; therefore, the asset and liability and related deferred inflows and outflows are not reported in governmental funds.

Net OPEB Asset	160,749
Net Pension Liability	(4,893,904)
Deferred Outflows - Pension	1,298,192
Deferred Outflows - OPEB	140,731
Deferred Inflows - Pension	(70,854)
Deferred Inflows - OPEB	(92,025)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Mortgage Payable	(1,281,130)
Loan Payable	(19,122)
Compensated Absences	(195,284)

Net position of governmental activities	<u><u>\$ (1,870,698)</u></u>
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BUCKEYE HILLS REGIONAL COUNCIL
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General Fund	(Formerly Major) Revolving Loan Fund	Medicaid Fund	Appalachian Development Corporation	Buckeye Hills Foundation	Other Governmental Funds	Total Governmental Funds
Revenues							
Intergovernmental	\$ 289,699		\$ 16,361,182	\$ -	\$ -	\$ 5,603,319	\$ 22,254,200
Interest	-		-	1,552	-	-	1,552
Charges for Services	191,196		108,947	255,340	-	31,062	586,545
Contributions and Donations	159		-	-	104	1,461	1,724
Other	657		-	-	8,559	98,487	107,703
Total Revenues	481,711		16,470,129	256,892	8,663	5,734,329	22,951,724
Expenditures							
Current:							
General Government	521,941		16,363,857	100,133	8,663	5,510,302	22,504,896
Capital Outlay	-		-	-	-	33,180	33,180
Debt Service:							
Principal Retirement	-		-	55,170	-	-	55,170
Interest	-		-	56,780	-	-	56,780
Other:							
Returned Grant Funds	-		29,742	-	-	84,177	113,919
Total Expenditures	521,941		16,393,599	212,083	8,663	5,627,659	22,763,945
Net Change in Fund Balances	(40,230)		76,530	44,809	-	106,670	187,779
Fund Balances as previously reported	578,670	244,099	660	297,295	-	196,256	1,316,980
Adjustment - changes in major fund to nonmajor fund	-	(244,099)	-	-	-	244,099	-
Fund Balances at beginning of the year, as adjusted	578,670	-	660	297,295	-	440,355	1,316,980
Fund Balances at the end of the year	\$ 538,440	\$ -	\$ 77,190	\$ 342,104	\$ -	\$ 547,025	\$ 1,504,759

See accompanying notes to the financial statements.

BUCKEYE HILLS REGIONAL COUNCIL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 187,779
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets greater than \$5,000 is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Asset Additions	33,180
Depreciation	(50,061)

Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB asset/liability are reported as pension/OPEB expenses in the statement of activities.

Pension	24,804
OPEB	29,861

Expenses related to compensated absences are reported in the statement of activities but are not included in the statement of revenues, expenditures, and changes in fund balance.

(141,648)

<i>Change in Net Position of Governmental Activities</i>	<u>\$ 83,915</u>
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**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Buckeye Hills Regional Council (the Council) was created as an agency established by agreement among its members pursuant to Section 167.01-08 of the Ohio Revised Code. The Council is organized as a voluntary organization of local government political subdivisions in Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington Counties to foster a cooperative effort in regional planning, programming, and implementing regional plans and programs. The Council is also organized as a forum for the discussion and study of common problems of a regional nature, and for the development of policy and action recommendations relating thereto.

The functions of the Council are:

1. To foster, develop, and review plans for regional growth, development, and conservation; and to aid in coordinating plans among local governments.
2. To perform planning directly by personnel of the Council, or under contracts between the Council and other public and private planning agencies; to undertake studies, collect data, develop regional plans and programs, and engage in such other activities as the Council finds necessary or desirable for the solution of regional problems. Said planning and studies shall include, but will not be limited to, those relating to land use, transportation, housing, environmental controls, health, economic development, and community and public facilities.
3. To serve, upon the request of the local government, as a representative of such government in such matters as may affect the region as a whole.
4. To provide a continuing practical structural mechanism to promote communication and cooperation among area governmental units and agencies.
5. To review, evaluate, comment upon, and make recommendations relating to the planning and programming, and the location, financing, and scheduling of programs in the region through a public input process.
6. To administer programs as set forth in the Older Americans Act and other State, Federal and private programs that provide for services to the region's elderly.

The Council may perform common functions and services characteristic of its individual political subdivisions as described in ORC 167.03.

The Council may enter into special purpose contracts or agreements with one or more local government units or private non-profit organizations within the Council to act on their behalf in applying for, administering, and coordinating grants and contracts available for programs authorized by state and federal laws for physical, economic, and human resources planning and development.

The authority granted to the Council shall not displace any existing municipal, county, or regional planning commission in the exercise of its statutory powers.

Component Unit

The accompanying financial statements present The Appalachian Development Corporation and The Buckeye Hills Foundation, component units of the Council, over which the Council exercises significant control, as a blended entity.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The Appalachian Development Corporation (the Corporation) is a not-for-profit corporation. The Corporation was established to provide financial assistance to new and developing businesses and industries. The Council appoints Board Members of the Corporation. The component unit balances blended and presented herein are as of the Corporation's fiscal year-end of September 30, 2024.

The Buckeye Hills Foundation, Inc. (the Foundation) is a not-for-profit corporation. The Foundation was established to promote community and economic development through research, education, charity, and training conducted in support of the overall mission of Buckeye Hills Regional Council. The Foundation's Board Members are comprised of the three officers of the Council's Board. The component unit balances blended and presented herein are as of the Foundation's fiscal year-end of June 30, 2024.

Eligibility

All cities, counties, and county seats within the counties of Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington are eligible for membership in the Council. Membership may be extended to other local political subdivisions, government agencies, and quasi-governmental agencies located both within and outside the eight-county area if said membership is conducive to facilitating federal, state, or regional planning objectives. Also, temporary associate membership may be extended for a special project lying partially outside the boundaries of the eight-county area. The latter membership's authorization shall be made upon majority approval of the General Policy Council's total membership.

Component units are legally separate organizations for which the Council is financially accountable. The Council is financially accountable for an organization if the Council appoints a voting majority of the organization's Governing Board and (1) the Council is able to significantly influence the programs or services performed or provided by the organization; (2) the Council is legally entitled to or can otherwise access the organization's resources; (3) the Council is legally obligated or has otherwise assumed the responsibility to finance deficits or provide financial support to the organization; or (4) the Council is obligated for the debt of the organization. Component units may also include organizations for which the Council approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Council.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide financial statements are prepared using the *economic resources measurement, focus*, and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement, focus*, and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when payable from current resources.

Grants and entitlements and interest associated with the current fiscal period are all considered being susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the Council receives cash.

Fund Accounting

The Council 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. The Council only uses governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Council reports the following major governmental funds:

General Fund - The General Fund is used to account for all financial resources of the Council except those accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio and the bylaws of the Council.

Medicaid Fund - The Medicaid Fund is used to account for the activities of the Pre-Admission Screening System Providing Options and Resources Today (PASSPORT) and Assisted Living programs. These are Ohio Medicaid waiver programs that provide in-home alternatives to nursing care for low-income seniors. The programs are jointly funded by the State of Ohio and the federal government.

Appalachian Development Corporation – The Appalachian Development Corporation is a blended component unit of the Council. The Corporation leases a building to the Council.

Buckeye Hills Foundation – The Buckeye Hills Foundation is a blended component unit of the Council. The Foundation financially supports the overall mission of the Council.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Council, available means expected to be received within 60 days of fiscal year-end. Under the modified accrual basis, only interest is considered to be both measurable and available at fiscal year-end.

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

Expenses/Expenditures

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

Cash and Cash Equivalents

To improve cash management, all cash received by the Council is pooled in central bank accounts. Monies for all funds are maintained in the account or temporarily used to purchase short-term investments. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Council are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Council, deferred outflows of resources have been reported for the following two items related to the Council's net pension liability and liability and net OPEB asset: (1) the difference between expected and actual experience of the pension systems and OPEB system, and (2) the Council's contributions to the pension systems and OPEB system subsequent to the measurement date.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

In addition to liabilities, the government-wide statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

For the Council, deferred inflows of resources have been reported for the following two items related to the Council's net pension liability/(asset) and net OPEB liability/(asset): (1) the net difference between projected and actual earning on pension plan investments related to the Council's net pension liability/(asset) and net OPEB liability/(asset) , and (2) the net difference between the proportionate share of employer contributions and actual employer contributions.

Interfund Transactions

During the course of normal operations, the Council has transactions between funds. On the balance sheet, receivables and payables resulting from short-term interfund loans are classified as "due to/due from other funds." These amounts are eliminated on the statement of net position.

Capital Assets

General capital assets consist primarily of a building, office furnishings, and equipment and generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. The assets are owned by the Council while used in the program for which they were purchased. The Ohio Department of Aging (ODA) has a reversionary interest in the assets purchased with funds which it provides. Disposition of these assets is subject to ODA regulations.

All capital assets are capitalized at cost and updated for additions and retirements during the year. The Council maintains a capitalization threshold of \$5,000. The Council does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or extend the asset's life are not capitalized. Capital assets are depreciated using the straight-line method over the following lives: office equipment - 3 to 5 years; computer equipment - 5 years; and building - 45 years.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as contributions awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available.

Fund Balance

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

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

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Council 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 policies of the Council Board.

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

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability/(asset), deferred outflows of resources related to the net pension/OPEB liability/(asset), and deferred inflows of resources related to the 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 plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Net Position

Net position represents the difference between all other elements of the statement of net position. Net investment in capital assets consist of capital assets, net of accumulated depreciation reduced by outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by Council legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Council applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the Council's restricted net position of \$1,127,068 none is restricted by enabling legislation.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

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

Budgetary Process

Although a legal budget is not required, nor is a budgetary statement, budgets for expenditure of federal grants are submitted to, and approved by, the federal government agency at the time the grants are awarded.

The Council's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ended June 30.

The Council's primary funding sources are federal and state grants which have grant periods that may or may not coincide with the Council's fiscal year. These grants normally are for a 12-month period; however, they can be awarded for periods shorter or longer than 12 months.

Because of the Council's dependency on federal and state budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The Council's annual budget differs from that of most local governments in two respects: (1) the uncertain nature of grant awards from other entities and (2) conversion of grant budgets to a fiscal year basis.

The resultant annual budget is subject to constant change within the fiscal year due to:

- Increases/decreases in actual grant awards from those estimates;
- Changes in grant periods;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards that fail to materialize.

Management utilizes budgets for monitoring financial activity, but budgets are not formally approved by the Board. Therefore, budgetary comparison schedules are not presented.

Uniform Guidance OMB 2 CFR 200 establishes principles for determining the allowable costs incurred by non-Federal entities under Federal awards. The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal government participation in the financing of a particular program or project. The principles are designed to provide that Federal awards bear their fair share of cost recognized under these principles except where restricted or prohibited by statute.

The Council chose the direct salary cost method because management determined that the more salary costs a grant has, the more indirect costs the grant would have. Management and administrative salaries and indirect costs are allocated to the various programs using the actual rate as determined by the method shown in the Council's Cost Allocation Plan.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The following policies of the Council regarding leave accruals were followed:

Vacation Leave

Full-time employees earn vacation annually, on their hire date, on the following basis: 6 months through 5 years of employment, 15 working days; 6 through 10 years of employment, 20 working days; 11 through 20 years, 25 working days; and 21 or more years, 30 working days.

If an employee has a balance of vacation leave at the end of their annual period, they may carry over up to 5 days with any hours above 5 days being lost.

After 3 months of employment, all employees earn 5 days of vacation leave. On the first anniversary, employees receive 15 days of vacation leave per year. Beginning on the fifth anniversary, employees receive 20 days of vacation leave. This increases to 25 days per year beginning on the 25th anniversary of employment.

All employees are entitled to full payment of any unused vacation pay upon separation from the Council.

Employees with 21 years and over of service have the option of receiving 5 days of pay and a reduction of vacation leave available by 5 days.

Sick Leave

Full-time employees, from the date of employment, shall earn leave at the rate of one and one-fourth days for each month worked, up to a maximum of 132 days.

All employees who accumulate sick leave hours in excess of 132 days will receive pay for accumulated leave on a ration of one-half of accumulated leave in excess of 132 days and will be calculated at the employee's current rate of pay at the end of each fiscal year.

Upon retirement within the PERS system and with at least 10 years of service to the Council, an employee may elect to be paid in cash for one-fourth of the value of their accrued sick leave credit to a maximum of 33 days. Such payment shall be based on the employee's rate of pay at the time of retirement, and such payment may be made only once to any employee. The maximum payment which may be made under this shall be one-fourth of 132 days.

In the event of the death of an employee who has at least 10 years of service, payment of unused sick leave will be made to the employee's spouse or estate in the same manner as a retiring individual.

As of June 30, 2024, the Council had no employees eligible for retirement, thus, no liability was recorded for sick leave severance.

Holidays

The Council has 11 official holidays per year. Full-time employees are paid for these holidays; part-time employees are not paid.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities

All payables are reported in the government-wide financial statements. In general, governmental fund payables that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

NOTE 2 - DEPOSITS AND INVESTMENTS

The investments and deposits of the Council are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only financial institutions located in Ohio are eligible to hold public deposits. The statutes also permit the Council to invest monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAR Ohio) and obligations of the United States government or certain agencies thereof. The Council may also enter into repurchase agreements with any eligible depository for a period not exceeding 30 days. Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities with a market value equal to 105 percent of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2 percent and be marked to market daily. State law does not require that securities maintained for public deposits and investments be held in the Council's name. The Council is prohibited from investing in any financial instrument contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a "derivative"). The Council is also prohibited from investing in reverse repurchase agreements.

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Council's deposits may not be returned to it. Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Council.

As of June 30, 2024, the bank balance of the Council's deposits was \$1,931,116. The entire bank balance was either covered by FDIC or collateralized by a letter of credit issued by FHLB of Cincinnati.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 – DEFINED BENEFIT PENSION PLAN

Net Pension Liability

The net pension asset and liability reported on the statement of net position represents an assets and a liability, respectively, to employees for pensions. Pensions are a component of exchange transactions— between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The 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 asset and liability represent the Council'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 asset and liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

GASB 68 assumes the asset and liability is solely the asset and obligation, respectively, 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. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description

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

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

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Council's contractually required contributions for the traditional plan for 2024, 2023, and 2022 were \$441,887, \$394,587, and \$400,260, respectively. 100% has been contributed for 2024, 2023 and 2022. Of the amount for 2024, \$0 is reported as accrued wages and benefits.

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

The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Council's proportions of the net pension liability was based on the Council's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>Traditional Pension Plan</u>
Proportionate Share of the Net Pension Liability	\$ 4,893,904
Proportion of the Net Pension Liability	
Liability	0.018693%
Increase/(decrease) in % from prior proportion measured	-0.000594%
Pension Expense	\$ 237,222

At June 30, 2024, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Traditional Pension Plan</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 987,799
Differences between expected and actual experience	79,987
Council contributions subsequent to the measurement date	<u>230,406</u>
Total Deferred Outflows of Resources	<u>\$ 1,298,192</u>
Deferred Inflows of Resources	
Changes in proportion and differences between contributions and proportionate share of contributions	<u>\$ 70,854</u>
Total Deferred Inflows of Resources	<u>\$ 70,854</u>

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$230,406 reported as deferred outflows of resources related to pension resulting from Council contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal year Ending June 30:	<u>Traditional Pension Plan</u>
2025	\$ 197,048
2026	310,192
2027	630,358
2028	<u>(140,666)</u>
Total	<u>\$ 996,932</u>

Actuarial Assumptions - OPERS

OPERS' total pension asset and liability were determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, 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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2023, are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2023
Experience Study	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Wage Inflation	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 2.3% Simple through 2023, then 2.05% Simple

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

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

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses, and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2% for 2023.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

Asset Class	Target Allocation for 2023	Weighted Average Long-Term Expected Real Rate of Return
		(Arithmetic)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00%	4.27%
Real Estate	13.00%	4.46%
Private Equity	15.00%	7.52%
International Equities	20.00%	5.16%
Risk Parity	2.00%	4.38%
Other Investments	5.00%	3.46%
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan and Member-Directed 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Council's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Council's proportionate share of the net pension liability or asset calculated using the discount rate of 6.9%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

<u>Employer's Net Pension Liability/(Asset)</u>	<u>1% Decrease 5.9%</u>	<u>Current Discount Rate 6.9%</u>	<u>1% Increase 7.9%</u>
Traditional Pension Plan	\$ 7,704,320	\$ 4,893,904	\$ 2,566,455

NOTE 4 – DEFINED BENEFIT OPEB PLAN

Net OPEB Liability/Asset

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

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

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

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

GASB 75 assumes the liability/(asset) is solely the obligation/benefit of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/(asset). Resulting adjustments to the net OPEB liability/(asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description

The Council's employees participate in the Ohio Public Employees Retirement System of Ohio (OPERS), which is a cost-sharing, multiple-employer retirement plan. OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member- Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans. The Plan is included in the report of OPERS which can be obtained by visiting www.opers.org or by calling (800) 222-7377.

Funding Policy – Ohio Revised Code Chapter 145 authorizes OPERS to offer the Plan and gives the OPERS Board of Trustees discretionary Council over how much, if any, of the health care costs will be absorbed by OPERS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the year ended December 31, 2023, in the Traditional Plan OPERS allocated 0% of employer contributions to post-employment health care.

Net OPEB Liability/(Asset)

The net OPEB liability/(asset) was measured as of December 31, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability/(asset) was based on the Authority's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS</u>
Proportionate Share of the Net OPEB Liability/(Asset)	\$ (160,749)
Proportion of the Net OPEB	
Liability/(Asset)	0.017811%
Increase/(decrease) in % from prior proportion measured	-0.000448%
OPEB Expense/(Offset)	\$ (24,802)

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

At June 30, 2024, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 96,539
Changes in assumptions	41,385
Changes in proportion and differences between committee contributions and proportionate share of contributions	<u>2,807</u>
Total Deferred Outflows of Resources	<u><u>\$ 140,731</u></u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 22,879
Changes in assumptions	69,101
Changes in proportion and differences between committee contributions and proportionate share of contributions	<u>45</u>
Total Deferred Inflows of Resources	<u><u>\$ 92,025</u></u>

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

Fiscal Year Ending June 30:	OPERS
2025	\$ (31,801)
2026	37,955
2027	75,148
2028	<u>(32,596)</u>
Total	<u><u>\$ 48,706</u></u>

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

Actuarial Assumptions - OPERS

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

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2022
Rolled-forward measurement date	December 31, 2023
Experience Study	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Single Discount Rate	5.70%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.77%
Wage Inflation	2.75%
Projected Salary Increases	2.75%-10.75% (Includes wage inflation at 2.75%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2038

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

A single discount rate of 5.70% was used to measure the total OPEB liability/(asset) on the measurement date of December 31, 2023; however the single discount rate used at the beginning of the year was 5.22%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rates was applied to all health care costs after that date.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

The following table presents the OPEB liability/(asset) calculated using the single discount rate of 5.70%, and the expected net OPEB liability/(asset) if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease 4.70%	Current Discount Rate 5.70%	1% Increase 6.70%
Council's proportionate share of the Net OPEB Liability/(Asset)	\$ 88,343	\$ (160,749)	\$ (367,085)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability/(asset). The following table presents the net OPEB liability/(asset) calculated using the assumed trend rates, and the expected net OPEB liability/(asset) if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Council's proportionate share of the Net OPEB Liability/(Asset)	\$ (167,423)	\$ (160,749)	\$ (153,175)

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2023	Weighted Average Long Term Expected Real Rate of Return
		(Arithmetic)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00%	4.27%
REITs	5.00%	4.68%
International Equities	25.00%	5.16%
Risk Parity	3.00%	4.38%
Other Investments	5.00%	2.43%
Total	100.00%	

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

The long-term expected rate of return on health care investment assets was determined using a building- block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2024, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 14.0% for 2024.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the Council for the year ended June 30, 2024, was as follows:

	Balance			Balance
	<u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>
Nondepreciable Capital Assets:				
Land	\$ 369,100	\$ -	\$ -	\$ 369,100
Depreciable Capital Assets:				
Building	1,951,794	-	-	1,951,794
Land Improvements	172,000	-	(115,976)	56,024
Office Equipment	168,693	33,180	(46,705)	155,168
Computer Equipment	<u>93,697</u>	<u>-</u>	<u>(65,160)</u>	<u>28,537</u>
Total Depreciable Capital Assets	<u>2,386,184</u>	<u>33,180</u>	<u>(227,841)</u>	<u>2,191,523</u>
Accumulated Depreciation:				
Building	(760,203)	(44,479)	-	(804,682)
Land Improvements	(163,400)	(8,600)	115,976	(56,024)
Office Equipment	(143,495)	(11,948)	46,705	(108,738)
Computer Equipment	<u>(76,829)</u>	<u>(2,320)</u>	<u>65,160</u>	<u>(13,989)</u>
Total Accumulated Depreciation	<u>(1,143,927)</u>	<u>(67,347)</u>	<u>227,841</u>	<u>(983,433)</u>
Total Capital Assets, Net	<u>\$ 1,611,357</u>	<u>\$ (34,167)</u>	<u>\$ -</u>	<u>\$ 1,577,190</u>

The Council allocated 100% of depreciation expense to general government for the year ended June 30, 2024.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 6 - CONTINGENCIES

Grants

The Council received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at June 30, 2024.

Subcontractors

For a majority of the expenditures in the Aging programs, the Council contracts with local non-profit agencies and for-profit companies to perform the specific services set forth in the grant agreements. The Council disburses grant funds to the entities based on monthly performance reports received from each entity. Some of the non-profit Aging subcontractors are required to have an annual independent audit. Under OMB CFR 200, the Council requires each agency to submit a copy of the audit report. If such audits disclose expenditures not in accordance with the terms of the grants, the grantor agency could disallow the costs and require reimbursement of the disallowed costs either from the Council or the delegate agency. The Council generally has the right of recovery from the subcontractors.

For the year ended June 30, 2024, agency costs of various amounts were disbursed for which the audits have not been received. Based upon prior experience, management believes that the Council will not incur significant losses from possible grant disallowances.

NOTE 7 - LONG-TERM OBLIGATIONS

The changes in the Council's long-term obligations during the fiscal year consisted of the following:

	Beginning Balance June 30, 2023	Additions	Reductions	Ending Balance June 30, 2024	Amounts Due in One Year
Mortgage Payable	\$ 1,320,323	\$ -	\$ (39,193)	\$ 1,281,130	\$ 41,104
Loan Payable	33,892	-	(14,770)	19,122	15,241
Compensated Absences	53,636	253,165	(111,517)	195,284	-
Net Pension Liability	5,697,388	-	(803,484)	4,893,904	-
Net OPEB Liability	<u>115,126</u>	<u>-</u>	<u>(115,126)</u>	<u>-</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 7,220,365</u>	<u>\$ 253,165</u>	<u>\$(1,084,090)</u>	<u>\$ 6,389,440</u>	<u>\$ 56,345</u>

Compensated absences are paid from the fund from which the employee is paid.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

On July 26, 2004, the Corporation borrowed \$1,800,000 from the United States Government through the U.S. Department of Agriculture's Community Facilities Loan Program. The loan is secured by a mortgage on the property acquired on State Route 7 in Marietta, Ohio. The note bears interest at an annual rate of 4.375 percent fixed for the term of 40 years. Monthly principal and interest payments of \$8,028 began on August 26, 2005, and will continue until the entire indebtedness is paid. Final maturity date of the note is July 26, 2044. Scheduled principal and interest payments are as follows:

	Principal	Interest	Total
2025	\$ 41,104	\$ 55,232	\$ 96,336
2026	42,939	53,397	96,336
2027	44,856	51,480	96,336
2028	46,858	49,478	96,336
2029	48,950	47,386	96,336
2030-2034	279,541	202,139	481,680
2035-2039	347,756	133,924	481,680
2040-2044	429,126	49,000	478,126
Total	<u>\$ 1,281,130</u>	<u>\$ 642,036</u>	<u>\$ 1,923,166</u>

The loan requires monthly deposits of \$802.80 to a reserve account beginning August 26, 2005, until there is an accumulated amount of \$96,336 after which deposits may be suspended. The reserve account balance as of September 30, 2024, was \$98,445. It is considered funded to the extent required by the loan. Disbursements from the reserve account require prior written approval. There were no disbursements made during the year ended September 30, 2024.

On December 2, 2020, the Corporation borrowed \$72,000 from Settlers Bank for roof repair. The note bears interest at variable rate for five years. Monthly principal and interest payments of \$1,301 began on January 2, 2021, and will continue until the entire indebtedness is paid. The final maturity date of the note is December 2, 2025. Scheduled principal and interest payments are as follows:

	Principal	Interest	Total
2025	\$ 15,241	\$ 374	\$ 15,615
2026	3,881	19	3,900
Total	<u>\$ 19,122</u>	<u>\$ 393</u>	<u>\$ 19,515</u>

NOTE 8 – RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council maintains commercial insurance covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the Council. Settled claims have not exceeded coverage in any of the last 3 years. There has been no significant reduction in coverage from the prior fiscal year.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES

Receivables reported as “Due from Other Funds” and the related payables reported as “Due to Other Funds” represent amounts owed by other governmental funds to the General Fund for the repayment of other governmental fund obligations that were originally paid out of the General Fund. The balances due to the Appalachian Development Corporation are lease payable from the Council to the Corporation. The Corporation leases building space to the Council.

NOTE 10 – GRANTS RECEIVABLE

A summary of grants receivable follows:

<i>Major Funds</i>	
General	\$ 176,980
Medicaid	1,070,422
<i>NonMajor Funds</i>	
Title IIIA	4,512
Title IIIB	57,378
Title IIIC-1	11,087
Title IIIC-2	25,275
Title IIID	19,320
Title IIIE-Admin	3,000
Title IIIE-Services	30,386
Title VII	4,683
Block Grant Services	42,271
Block Grant Admin	5,149
NISP	25,480
SFMNP	10,000
ARC	1,000
Community Development	7,601
ODOT Mobility Manager	138,278
RTPO	60,390
Other	23,275
HEAP	2,370
Ready LDD	29,375
DSA	52,206
Title C1 COVID-19	32,244
Title C2 COVID-19	59,492
Healthy Aging	36,630
CHW	7,288
<i>Total NonMajor Funds</i>	<u>688,690</u>
<i>Total All Funds</i>	<u><u>\$1,936,092</u></u>

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 11 – RELATED ORGANIZATION

Ohio Rural Development Alliance

The Council is a participant in an alliance of government organizations to serve as an engine for driving economic diversification and sustainability for rural Ohio. The Alliance is designed to represent rural interests across Ohio and serve as a forum for collaboration and sharing of ideas related to strengthening rural Ohio. A Board of Directors consisting of representatives of each of the participating districts governs the Alliance. Financial information for the Alliance can be obtained from Ohio Rural Development Alliance, 1400 Pike Street, Marietta, Ohio 45750.

NOTE 12 – APPALACHIAN DEVELOPMENT CORPORATION

The Corporation was established on September 1, 1987, to provide financial assistance to new and developing businesses and industries. The Corporation has not applied for, or received, any grants to provide this assistance. Thus, the Corporation has no revenue or expenses related to its primary operation. The Corporation will apply for grants when a need exists, and the grants are available and appropriate for the area. The Corporation's secondary operation of holding real estate is its only source of income and expense at this time. During the year, the Corporation leased its office buildings to Buckeye Hills Regional Council. This represents 100 percent of the Corporation's rental income.

NOTE 13 – BUCKEYE HILLS FOUNDATION

The Foundation was established to promote economic and community development through research, education, and training. These activities shall be conducted primarily in support of the Council's mission.

NOTE 14 – FUND BALANCE

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Medicaid Fund</u>	<u>Appalachian Development Corporation</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Restricted</i>					
Program Operations	\$ -	\$ 77,190	\$ -	\$ 547,025	\$ 624,215
Business Development Loans	-	-	342,104	-	342,104
<i>Total Restricted</i>	<u>-</u>	<u>77,190</u>	<u>342,104</u>	<u>547,025</u>	<u>966,319</u>
<i>Unassigned</i>	538,440	-	-	-	538,440
<i>Total Fund Balances</i>	<u>\$ 538,440</u>	<u>\$ 77,190</u>	<u>\$ 342,104</u>	<u>\$ 547,025</u>	<u>\$ 1,504,759</u>

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 15 – COVID – 19

Management is currently evaluating the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Council's financial position and/or the results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 16 – SUBSEQUENT EVENTS

The Council's evaluated subsequent events and transactions that occurred after the date of the statement of net position up to the date that the financial statements were issued. No events have occurred subsequent to the date of the financial statements through the report date that would require adjustment or disclosure in the financial statements.

NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2024, the District has implemented GASB Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62".

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 was reflected on the financial statements of the Council.

REQUIRED SUPPLEMENTARY INFORMATION

BUCKEYE HILLS REGIONAL COUNCIL
Schedule of Proportionate Share of Net Pension Liability (Asset)
June 30, 2024

Ohio Public Employees Retirement System
Last Ten Calendar Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Traditional Plan:										
Council's proportion of the net pension liability (asset) (percentage) - Traditional Plan	0.018693%	0.019287%	0.019329%	0.019779%	0.019063%	0.020885%	0.021840%	0.023747%	0.022188%	0.019262%
Council's proportionate share of the net pension liability (asset) - Traditional Plan	\$ 4,893,904	\$ 5,697,388	\$ 1,681,701	\$ 2,928,839	\$ 3,767,931	\$ 5,719,980	\$ 3,166,478	\$ 5,392,540	\$ 3,843,241	\$ 2,323,264
Council's covered payroll	\$ 2,818,481	\$ 2,669,114	\$ 2,794,762	\$ 2,725,442	\$ 2,682,200	\$ 2,717,790	\$ 2,780,267	\$ 2,797,940	\$ 2,843,985	\$ 2,761,520
Council's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	173.64%	213.46%	60.17%	107.46%	140.48%	210.46%	113.89%	192.73%	135.14%	84.13%
Plan fiduciary net position as a percentage of the total pension liability (Traditional Plan)	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	81.08%

Information on this schedule is based on OPERS plan year end, which is December 31.
See notes to Required Supplementary Information.

BUCKEYE HILLS REGIONAL COUNCIL
Schedule of Contributions
June 30, 2024

Ohio Public Employees Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Traditional Plan:										
Contractually required contribution	\$ 441,886	\$ 394,587	\$ 373,676	\$ 391,927	\$ 393,608	\$ 374,776	\$ 372,460	\$ 335,753	\$ 312,072	\$ 336,764
Contributions in relation to contractually required contribution	<u>(441,886)</u>	<u>(394,587)</u>	<u>(373,676)</u>	<u>(391,927)</u>	<u>(393,608)</u>	<u>(374,776)</u>	<u>(372,460)</u>	<u>(335,753)</u>	<u>(312,072)</u>	<u>(336,764)</u>
Contribution deficit (surplus)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered payroll	\$3,156,328	\$2,818,481	\$2,669,114	\$2,799,482	\$2,725,442	\$2,676,968	\$2,758,118	\$2,688,950	\$2,600,600	\$2,806,367
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.44%	14.00%	13.50%	12.49%	12.00%	12.00%

See notes to Required Supplementary Information.

BUCKEYE HILLS REGIONAL COUNCIL
Schedule of Proportionate Share of Net OPEB Liability/(Asset)
Ohio Public Employees Retirement System
Last Eight Fiscal Years
For the Calendar Year Ended December 31

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Council's Proportion of the Net Pension Liability/(Asset)	0.017811%	0.018259%	0.018446%	0.019003%	0.018130%	0.019886%	0.019660%	0.019660%
Council's Proportionate Share of the Net Pension Liability/(Asset)	\$ (160,749)	\$ 115,126	\$ (577,757)	\$ (338,553)	\$2,504,224	\$2,592,666	\$2,134,931	\$ 1,985,727
Council's Covered Payroll	\$2,818,481	\$2,854,278	\$2,776,857	\$2,783,340	\$2,739,081	\$2,774,665	\$2,867,150	\$ 2,910,173
Council's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	-5.7%	4.0%	-20.8%	-12.2%	91.4%	93.4%	74.5%	68.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	N/A

(1) Information prior to 2017 is not available.

(2) Information is presented on a calendar year basis,
See notes to Required Supplementary Information.

BUCKEYE HILLS REGIONAL COUNCIL
Schedule of Contributions
Ohio Public Employees Retirement System – OPEB Plan
Last Eight Fiscal Years
For the Fiscal Year Ended June 30

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,104	\$ 42,293
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	-	14,104	42,293
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Council Covered Payroll	 \$3,156,328	 \$2,818,481	 \$2,854,278	 \$2,776,857	 \$2,783,340	 \$2,733,843	 \$2,829,296	 \$2,797,431
 Contributions as Percentage of Covered Payroll	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%	 0.50%	 1.51%

(1) Information prior to 2017 is not available.

(2) Information is presented on a fiscal year basis, consistent with the Council's financial statements.

See notes to Required Supplementary Information.

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Note 1 - Changes in Assumptions – OPERS Pension (Continued)

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in the wage inflation rate from 3.25% to 2.75%, and transition from RP-2014 mortality tables to the Pub-2010 mortality tables.

Amounts reported for fiscal year 2023 (Measurement Period 2022) reported no changes in assumptions.

Amounts reported for fiscal year 2024 (Measurement Period 2023) reported no changes in assumptions.

Note 2 - Changes in Assumptions – OPERS OPEB

Amounts reported for fiscal year 2019 (Measurement Period 2018) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability/(asset) in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2018 (Measurement Period 2017) are presented below:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability		
Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2017	December 31, 2016
Rolled-forward measurement date	December 31, 2018	December 31, 2017
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	3.96%	3.85%
Investment Rate of Return	6.00%	6.50%
Municipal Bond Rate	3.71%	3.31%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	10% initial, 3.25% ultimate in 2029	7.5% initial, 3.25% ultimate in 2028

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a increase of the discount rate from 3.85% to 3.96%, a reduction in the investment rate of return 6.50% to 6.00%, and an increase in bond rate from 3.31% to 3.71%.

Amounts reported for fiscal year 2020 (Measurement Period 2019) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability/asset in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2019 (Measurement Period 2018) are presented below:

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Changes in Assumptions – OPERS OPEB (Continued)

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2018	December 31, 2017
Rolled-forward measurement date	December 31, 2019	December 31, 2018
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	3.16%	3.96%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	2.75%	3.71%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	10.5% initial, 3.50% ultimate in 2030	10% initial, 3.25% ultimate in 2029

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a decrease of the discount rate from 3.96% to 3.16% and an decrease in bond rate from 3.71% to 3.25%. There is also a change Health Care Cost Trend Rates.

Amounts reported for fiscal year 2021 (Measurement Period 2020) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability/(asset) in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2020 (Measurement Period 2019) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2019	December 31, 2018
Rolled-forward measurement date	December 31, 2020	December 31, 2019
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	6.00%	3.16%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	2.00%	2.75%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	8.50% initial, 3.50% ultimate in 2035	10.5% initial, 3.50% ultimate in 2030

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a decrease of the discount rate from 3.16% to 6.00% and a decrease in bond rate from 3.25% to 2.00%. There is also a change Health Care Cost Trend Rates.

BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Changes in Assumptions – OPERS OPEB (Continued)

Amounts reported for fiscal year 2022 (Measurement Period 2021) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability/(asset) in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 (Measurement Period 2020) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2020	December 31, 2019
Rolled-forward measurement date	December 31, 2021	December 31, 2020
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age normal
Actuarial Assumptions:		
Single Discount Rate	6.00%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	1.84%	2.00%
Wage Inflation	2.75%	3.25%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2034	8.50% initial, 3.50% ultimate in 2035

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a decrease of the municipal bond rate from 2.00% to 1.84%, a decrease in the minimum projected salary increases from 3.25% to 2.75%. There is also a change Health Care Cost Trend Rates.

Amounts reported for fiscal year 2023 (Measurement Period 2022) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability/(asset) in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2022 (Measurement Period 2021) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2021	December 31, 2020
Rolled-forward measurement date	December 31, 2022	December 31, 2021
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	5.22%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	4.05%	1.84%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	2.75% to 10.75% (Includes wage inflation of 2.75%)
Health Care Cost Trend Rate	5.5% initial, 3.50% ultimate in 2036	5.5% initial, 3.50% ultimate in 2034

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. The significant change includes a decrease in the Single Discount Rate from 6.00% to 5.22%.

Amounts reported for fiscal year 2024 (Measurement Period 2023) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability/(asset) in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2023 (Measurement Period 2022) are presented below:

**BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2022	December 31, 2021
Rolled-forward measurement date	December 31, 2023	December 31, 2022
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	5.70%	5.22%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	3.77%	4.05%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75%-10.75% (Includes wage inflation at 2.75%)	2.75% to 10.75% (Includes wage inflation of 2.75%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2038	5.5% initial, 3.50% ultimate in 2036

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. The significant change includes a increase in the Single Discount Rate from 5.22% to 5.70%, and a decrease in the municipal bond rate from 4.05% to 3.77%.

BUCKEYE HILLS REGIONAL COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR/PASS THROUGH GRANTOR Program or Cluster Title	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PASSED THROUGH TO SUBRECIPIENTS	EXPENDITURES
DEPARTMENT OF AGRICULTURE				
Passed through the Ohio Department of Aging:				
Seniors Farmers Market Nutrition Program	10.576	2023	\$ -	\$ 82,034
Seniors Farmers Market Nutrition Program	10.576	2024	-	5,405
ARPA Seniors Farmers Market Nutrition Program	10.576	2024	-	30,529
Total Department of Agriculture			-	117,968
DEPARTMENT OF COMMERCE				
Passed through Ohio Department of Development:				
State Digital Equity Planning Grants	11.032	2023	-	93,995
Direct from Economic Development Administration:				
Economic Development Support for Planning Organizations	11.302	2024	-	29,897
Economic Adjustment Assistance	11.307	2024	-	415,178
Total Department of Commerce			-	539,070
DEPARTMENT OF TRANSPORTATION				
Passed through the Ohio Department of Transportation:				
Highway Planning and Construction	20.205	2023	-	48,882
Highway Planning and Construction	20.205	2024	-	107,736
Total Department of Transportation			-	156,618
ENVIRONMENTAL PROTECTION AGENCY				
Direct from Environmental Protection Agency:				
USEPA Brownfield Assessment Grant	66.818	2024	-	40,086
Total Environmental Protection Agency			-	40,086
APPALACHIAN REGIONAL COMMISSION				
Direct from Appalachian Regional Commission:				
ARC Area Development	23.002	2024	-	44,936
Appalachian Research, Technical Assistance and Demonstration Projects	23.009	2023	-	206,478
Appalachian Research, Technical Assistance and Demonstration Projects	23.009	2024	-	87,598
Total Appalachian Regional Commission			-	339,012
DEPARTMENT OF TREASURY				
Passed through Ohio Department of Development:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	2024	987,011	987,011
Total Department of Treasury			987,011	987,011
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Ohio Department of Aging:				
Aging Cluster:				
COVID-19 - Special Programs for the Aging - Title III B, CARES Act	93.044	2022	303,436	303,436
Special Programs for the Aging - Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	2023	122,367	132,811
Special Programs for the Aging - Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	2024	175,006	212,283
Total Special Programs for the Aging - Title III, Part B_Grants for Supportive Services and Senior Centers			600,809	648,530
COVID-19 - Special Programs for the Aging - Title III C2, CARES Act	93.045	2022	282,266	372,334
Special Programs for the Aging - Title III, Part C_Nutrition Services	93.045	2023	257,013	401,378
Special Programs for the Aging - Title III, Part C_Nutrition Services	93.045	2024	298,171	336,413
Total Special Programs for the Aging - Title III, Part C_Nutrition Services			837,450	1,110,125
Nutrition Services Incentive Program	93.053	2023	13,785	13,785
Nutrition Services Incentive Program	93.053	2024	35,069	35,069
Total Nutrition Services Incentive Program			48,854	48,854
Total Aging Cluster			1,487,113	1,807,509
Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2024	5,430	5,430
Total Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation			5,430	5,430
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	2023	12,251	26,534
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	2024	26,534	12,251
Total Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services			38,785	38,785
COVID-19 - National Family Caregiver Support, Title III, Part E CARES Act	93.052	2022	85,797	85,797
National Family Caregiver Support, Title III, Part E	93.052	2023	170	46,841
National Family Caregiver Support, Title III, Part E	93.052	2024	4,866	80,048
Total National Family Caregiver Support, Title III, Part E			90,833	212,686
Low-Income Home Energy Assistance	93.568	2023	-	10,119
Low-Income Home Energy Assistance	93.568	2024	-	13,855
Total Low-Income Home Energy Assistance			-	23,974
Medicare Enrollment Assistance	93.071	2023	-	964
Medicare Enrollment Assistance	93.071	2024	-	19,607
Total Medicare Enrollment Assistance			-	20,571
Medical Assistance Program	93.778	2024	7,378,506	10,246,420
Passed through Pro Seniors, Inc.:				
Home and Community-Based Supportive Services	93.048	2024	-	10,000
Total Department of Health and Human Services			9,000,667	12,365,375
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 9,987,678	\$ 14,545,140

BUCKEYE HILLS REGIONAL COUNCIL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Buckeye Hills Regional Council (the Council) under programs of the federal government for the year ended June 30, 2024. 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 Council, it is not intended to and does not present the financial position or changes in net position of the Council.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Council has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – MATCHING REQUIREMENTS

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

NOTE D – SUBRECIPIENTS

The Council passes certain federal awards received from the U.S. Department of Health and Human Services to other approved agencies (subrecipients). As Note B describes, the Council reports expenditures of Federal awards to subrecipients on an accrual basis.

As a subrecipient, the Council has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these sub-awards as authorized by laws, regulations, and the provisions of contract or grant agreements, and that subrecipients achieve the award's performance goals.

Buckeye Hills Regional Council
Schedule A – Details of Statement of Financial Position – Modified Accrual
Program Year Ending June 30, 2024

Assets	Home Energy Assistance Program	PASSPORT/ Assisted Living	MIPPA	Alzheimer's Respite Site	Alzheimer's Respite Core	National Senior Service Corps	COVID 19 Vaccine Support	Total 2024
Current Assets								
Cash and Cash Equivalents	\$ (2,370)	\$ 332,414	\$ 803	\$ 33,206	\$ 14,231	\$ (1,088)	\$ (1,985)	\$ 375,211
Account/Grants Receivable	2,370	1,070,422	-	-	-	-	-	1,072,792
Total Current Assets	-	1,402,836	803	33,206	14,231	(1,088)	(1,985)	1,448,003
Total Assets	\$ -	\$ 1,402,836	\$ 803	\$ 33,206	\$ 14,231	\$ (1,088)	\$ (1,985)	\$ 1,448,003
Liabilities and Net Assets								
Current Liabilities								
Accounts/Grants Payable	\$ -	\$ 1,353,481	\$ 229	\$ 33,206	\$ 14,231	\$ 5,932	\$ 1,985	\$ 1,409,064
Contractual Advances	-	-	574	-	-	-	-	574
Accrued Expenses	-	53,601	-	-	-	-	-	53,601
Total Current Liabilities	-	1,407,082	803	33,206	14,231	5,932	1,985	1,463,239
Net Assets								
Unrestricted	-	(4,246)	-	-	-	(7,020)	(3,970)	(15,236)
Total Liabilities and Net Assets	\$ -	\$ 1,402,836	\$ 803	\$ 33,206	\$ 14,231	\$ (1,088)	\$ (1,985)	\$ 1,448,003

Buckeye Hills Regional Council
Schedule A – Details of Statement of Financial Position – Modified Accrual
Program Year Ending December 31, 2023

Assets	Title III-A	Title III-B	Title III-C1	Title III-C2	Title III-D	Title III-E - Caregiver Services	Title III-E - Caregiver Administration	Senior Community Service - Social Services	Senior Community Service - Administration	Total 2023
Current Assets										
Cash and Cash Equivalents	\$ 47,759	\$ 2,250	\$ (9,710)	\$ 12,318	\$ (2,665)	\$ 2,280	\$ 7,131	\$ 17,402	\$ (12,702)	\$ 64,063
Account/grants Receivable	14,230	10,936	26,878	-	360	-	-	(14,832)	(6,327)	31,245
Total Current Assets	61,989	13,186	17,168	12,318	(2,305)	2,280	7,131	2,570	(19,029)	95,308
Total Assets	\$ 61,989	\$ 13,186	\$ 17,168	\$ 12,318	\$ (2,305)	\$ 2,280	\$ 7,131	\$ 2,570	\$ (19,029)	\$ 95,308
Liabilities and Net Assets										
Current Liabilities										
Accounts/Grants Payable	\$ 1,575	\$ 16,085	\$ 22,948	\$ 10,174	\$ 1,620	\$ -	\$ 2,665	\$ 13,859	\$ -	\$ 68,926
Accrued Expenses	34,335	472	-	-	-	2,280	3,490	5,099	6,554	52,230
Total Current Liabilities	35,910	16,557	22,948	10,174	1,620	2,280	6,155	18,958	6,554	121,156
Net Assets										
Unrestricted	26,079	(3,371)	(5,780)	2,144	(3,925)	-	976	(16,388)	(25,583)	(25,848)
Total Liabilities and Net Assets	\$ 61,989	\$ 13,186	\$ 17,168	\$ 12,318	\$ (2,305)	\$ 2,280	\$ 7,131	\$ 2,570	\$ (19,029)	\$ 95,308

Buckeye Hills Regional Council
Schedule B – Details of Statements of Activities – Modified Accrual
Program Year Ending June 30, 2024

Revenue	Home Energy Assistance Program	PASSPORT/ Assisted Living	MIPPA	Alzheimer's Respite Site	Alzheimer's Respite Core	National Senior Service Corps	COVID 19 Vaccine Support	Total 2024
Federal	\$ 13,855	\$ 10,246,420	\$ 19,607	\$ -	\$ -	\$ -	\$ 23,026	\$ 10,302,908
State	-	6,114,762	-	69,829	29,927	23,728	-	6,238,246
	13,855	16,361,182	19,607	69,829	29,927	23,728	23,026	16,541,154
Client co-pays	-	79,204	-	-	-	-	-	79,204
Total Revenue	13,855	16,440,386	19,607	69,829	29,927	23,728	23,026	16,620,358
Expenses								
Salaries	-	1,787,333	-	1,464	627	-	-	1,789,424
Equipment/supplies	-	98,811	-	-	-	-	-	98,811
Travel and training	-	125,104	-	58	25	-	-	125,187
Other	13,855	13,469,062	19,607	67,615	28,978	23,728	23,026	13,645,871
Total Expenses	13,855	15,480,310	19,607	69,137	29,630	23,728	23,026	15,659,293
Increase (Decrease) in fund balance	\$ -	\$ 960,076	\$ -	\$ 692	\$ 297	\$ -	\$ -	\$ 961,065

Buckeye Hills Regional Council
Schedule B – Details of Statements of Activities – Modified Accrual
Program Year Ending December 31, 2023

Revenue	Title III-A	Title III-B	Title III-C1	Title III-C2	Title III-D	Title III-E - Caregiver Services	Title III-E - Caregiver Administration	Nutrition Services Incentive Program	Senior Farmer's Market Nutrition Program	Senior Community Service - Social Services	Senior Community Service - Administration	Total 2023
Federal	\$ 106,914	\$ 120,154	\$ 106,508	\$ 135,977	\$ 3,859	\$ 6,485	\$ 39,801	\$ 13,785	\$ 82,034	\$ -	\$ -	\$ 615,517
State	-	-	-	-	-	-	-	-	-	92,060	36,016	128,076
Total Revenue	106,914	120,154	106,508	135,977	3,859	6,485	39,801	13,785	82,034	92,060	36,016	743,593
Expenses												
Salaries	34,383	430	-	-	-	2,687	5,285	-	-	6,471	18,633	67,889
Professional services	-	-	-	-	-	-	-	-	-	-	-	-
Equipment/supplies	(329)	2,235	-	-	-	486	2,813	-	103	-	-	5,308
Travel and training	4,886	118	-	-	-	300	1,026	-	-	1,597	317	8,244
Other	24,285	113,192	112,287	133,832	7,784	1,839	26,406	13,785	81,931	77,772	21,919	615,032
Total Expenses	63,225	115,975	112,287	133,832	7,784	5,312	35,530	13,785	82,034	85,840	40,869	696,473
Increase (Decrease) in fund balance	\$ 43,689	\$ 4,179	\$ (5,779)	\$ 2,145	\$ (3,925)	\$ 1,173	\$ 4,271	\$ -	\$ -	\$ 6,220	\$ (4,853)	\$ 47,120

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

Buckeye Hills Regional Council
Washington County
1400 Pike Street
Marietta, Ohio 45750

To the Board Members:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Buckeye Hills Regional Council**, Washington County, (the Council) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated December 23, 2024.

Report on the Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 Council'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of audit findings as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

December 23, 2024

**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**

Buckeye Hills Regional Council
Washington County
1400 Pike Street
Marietta, Ohio 45750

To the Board Members:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Buckeye Hill Regional Council's** (the Council) 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 Buckeye Hills Regional Council's major federal programs for the year ended June 30, 2024. Buckeye Hills Regional Council's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of audit findings.

In our opinion, Buckeye Hills Regional Council 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 June 30, 2024.

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 Council 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 Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Council'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 Council'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 Council'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 Council'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 Council'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 Council'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 Council'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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

December 23, 2024

**BUCKEYE HILLS REGIONAL COUNCIL
WASHINGTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED JUNE 30, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

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

**BUCKEYE HILLS REGIONAL COUNCIL
WASHINGTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Director and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Council's annual financial report were noted:

- The Appalachian Development Corporation Fund was not presented properly on the financial statements. Revenues and expenditures were overstated by \$1,298,795 and \$1,317,558, respectively. Additionally, on the statement of net position, accounts payable was overstated by \$18,763, while Business Development Loans was understated by the same amount; and
- The portion of Net Position for Net OPEB Asset was misclassified as Unrestricted rather than Restricted.

Not posting revenue and expenses accurately resulted in the financial statements requiring several reclassifications. The financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

We also recommend the Fiscal Director refer to the Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Management's Response: See Corrective Action Plan

3. FINDINGS FOR FEDERAL AWARDS

None



CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	The Board of Trustees and Council administration acknowledge the financial statement misstatements noted in your report. We will perform a detailed review of the draft financial statements, which will include procedures to ensure all year end entries, revenues, expenses, and fund balances are properly calculated and reflected in the financial statements.	Reassess annually	Denise Keyes, Fiscal Director

OHIO AUDITOR OF STATE KEITH FABER



BUCKEYE HILLS REGIONAL COUNCIL

WASHINGTON 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 3/20/2025

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