OHIO AUDITOR OF STATE
KEITH FABER

GALLIA COUNTY
DECEMBER 31, 2022

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Gallia County
18 Locust Street
Gallipolis, Ohio 45631

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gallia County, Ohio (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gallia County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Motor Vehicle Gasoline Tax Fund, Job and Family Services Fund, Local Fiscal Recovery Fund, and Board of Developmental Disabilities Fund 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 County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 27 to the financial statements, during 2022, the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *"Leases"* and Implementation Guide No, 2019-3, *"Leases".* Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules for Infrastructure Assets Accounted for Using the Modified Approach, 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 County's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2024, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

April 11, 2024

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The discussion and analysis of Gallia County's (the County) financial performance provides an overall review of the County's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for year 2022 are as follows:

- In total, net position increased $17,208,057. Net position of governmental activities increased $14,361,068 from 2021. Net position of business-type activities increased $2,846,989 from 2021.
- Overall, the fund balance of governmental funds decreased $1,172,763. While the General Fund decreased $199,995, the Motor Vehicle Gasoline Tax Fund increased $2,302,170, the Job and Family Services Fund increased $640,686, the Board of Developmental Disabilities Fund increased $246,842, and the Jail Project Capital Improvement Fund decreased $5,027,108.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the financial position of Gallia County.

The Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole, presenting both an aggregate and a longer-term view of the County. Fund financial statements provide a greater 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. Fund financial statements report the County's most significant funds individually and the County's nonmajor funds in a single column.

Reporting Gallia County as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The Statement of Net Position and 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 considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the County's non-fiduciary net position and changes in net position. This change in net position is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or worsened. Over time, these changes are one indicator of whether the financial position is improving or deteriorating. However, in evaluating the overall position of the County, non-financial information, such as the condition of the County's capital assets and changes in the County's property tax base will also need to be evaluated.

In the Statement of Net Position and the Statement of Activities, the County is divided into two kinds of activities:

- Governmental Activities – Most of the County's programs or services are reported here, including legislative and executive, judicial, public safety, public works, health, human services, and economic development. These services are funded primarily by taxes and intergovernmental receipts, including federal and state grants and other shared revenues.

- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's sewer system is reported here.

Reporting the Gallia County's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the County's major funds. Based upon restrictions on the use of monies, the County has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the County's most significant funds. The County's major funds are the General Fund; the Motor Vehicle Gasoline Tax, Job and Family Services, the Local Fiscal Recovery, and Board of Developmental Disabilities Special Revenue Funds; the Jail Project Capital Improvement Fund; and the Sewer Enterprise Fund.

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the County's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a number of individual governmental funds. Information for major funds, identified earlier, is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single aggregated presentation.

Proprietary Funds The County uses enterprise funds to account for its sewer operations. For these operations, the County charges a fee to customers, based upon the amount of usage, to recover the costs of the services provided, and to cover the capital assets associated with the services.

GALLIA COUNTY AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2022 compared to 2021.

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021	2022	2021*
Assets						
Current and Other Assets	$49,018,470	$50,897,173	$1,302,807	$2,768,374	$50,321,277	$53,665,547
Net Pension Asset	275,610	221,338	0	0	275,610	221,338
Net OPEB Asset	2,469,576	1,416,691	0	0	2,469,576	1,416,691
Capital Assets, Net	126,531,756	115,998,915	23,435,755	19,392,556	149,967,511	135,391,471
Total Assets	178,295,412	168,534,117	24,738,562	22,160,930	203,033,974	190,695,047
Deferred Outflows of Resources						
Pension	3,413,095	724,272	0	0	3,413,095	724,272
OPEB	44,827	2,040,602	0	0	44,827	2,040,602
Deferred Charge on Refunding	7,352	7,877	0	0	7,352	7,877
Asset Retirement Obligations	0	0	306,500	321,000	306,500	321,000
Total Deferred Outflows of Resources	3,465,274	2,772,751	306,500	321,000	3,771,774	3,093,751
Liabilities						
Current and Other Liabilities	7,344,529	7,896,772	435,166	673,380	7,779,695	8,570,152
Long-Term Liabilities:						
Due within One Year	692,792	692,463	289,915	198,723	982,707	891,186
Due in More than One Year:						
Net Pension Liability	7,699,700	11,852,982	0	0	7,699,700	11,852,982
Other Amounts	22,412,832	23,172,831	11,777,214	11,914,049	34,190,046	35,086,880
Total Liabilities	38,149,853	43,615,048	12,502,295	12,786,152	50,652,148	56,401,200
Deferred Inflows of Resources						
Property Taxes	5,182,053	5,116,862	0	0	5,182,053	5,116,862
Pension	8,571,667	5,480,965	0	0	8,571,667	5,480,965
OPEB	2,550,800	4,150,797	0	0	2,550,800	4,150,797
Leases	965,919	963,870	0	0	965,919	963,870
Total Deferred Inflows of Resources	17,270,439	15,712,494	0	0	17,270,439	15,712,494
Net Position						
Net Investment in Capital Assets	101,309,501	91,155,872	11,615,572	8,574,812	112,925,073	99,730,684
Restricted	29,809,594	27,722,875	0	0	29,809,594	27,722,875
Unrestricted (Deficit)	(4,778,701)	(6,899,421)	927,195	1,120,966	(3,851,506)	(5,778,455)
Total Net Position	$126,340,394	$111,979,326	$12,542,767	$9,695,778	$138,883,161	$121,675,104

*As restated. See Note 27 of the notes to the basic financial statements for additional information.

The net pension liability (NPL) is the one of the largest liabilities reported by the County as of December 31, 2022. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Governmental activities assets increased $9,761,295, due mostly to increases in capital assets and the net OPEB asset. Capital assets increased due primarily to additions for construction in progress for the ongoing Jail capital project. The increase in net OPEB assets is due primarily to changes to the state-wide OPEB plan. Deferred outflows of resources related to pension increased $2,688,823 and OPEB decreased $1,995,775. The significant increase in total deferred outflow of resources in 2022 was mostly due to changes in amortization relating to changes of assumption and the difference between projected and actual earnings on investments used in calculations of the net pension liability.

Total governmental activities liabilities decreased $5,465,195, due mostly to decrease in net pension liability and other amounts due in more than one year. Current and other liabilities decreased $552,243 mostly due a decrease in accounts payable, which were partially offset by an increase to the unearned revenue in the Local Fiscal Recovery Fund, as well as to contracts and retainage payables as related to the Jail capital project. Other amounts due in more than one year decreased $759,999 as a result of debt retirements. Net pension liability decreased $4,153,282. The net pension liability decrease represents the change in the County's proportionate share of the OPERS traditional plan's unfunded benefits. As indicated above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, as well as deferred inflows for pension and OPEB which increased and decreased by $3,090,702 and $1,599,997, respectively.

Total business-type activities assets increased $2,577,632. Capital assets increased by $4,043,199, due to the ongoing construction in progress. Current and other assets decreased $1,465,567 due to expenditures paid for the sewer construction project.

Table 2 reflects the change in net position of the current year from the prior year.

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(Table 2)
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	$6,764,781	$7,227,840	$1,107,988	$1,095,282	$7,872,769	$8,323,122
Operating Grants, Contributions and Interest	21,704,299	24,479,384	0	0	21,704,299	24,479,384
Capital Grants and Contributions	5,500,000	0	2,779,176	1,617	8,279,176	1,617
Total Program Revenues	33,969,080	31,707,224	3,887,164	1,096,899	37,856,244	32,804,123
General Revenues:						
Property Taxes	4,492,850	4,633,557	0	0	4,492,850	4,633,557
Sales Taxes	7,024,771	7,893,067	0	0	7,024,771	7,893,067
Other Local Taxes	235,745	234,140	0	0	235,745	234,140
Grants and Entitlements	1,431,256	986,681	0	0	1,431,256	986,681
Gifts and Donations	5,000	2,000	0	0	5,000	2,000
Interest	208,730	179,678	14,003	1,723	222,733	181,401
Gain on Sale of Capital Assets	8,100	68,794	0	0	8,100	68,794
Other	630,795	841,484	65,132	516,234	695,927	1,357,718
Total General Revenues	14,037,247	14,839,401	79,135	517,957	14,116,382	15,357,358
Total Revenues	48,006,327	46,546,625	3,966,299	1,614,856	51,972,626	48,161,481
Program Expenses						
General Government:						
Legislative and Executive	4,953,607	4,794,309	0	0	4,953,607	4,794,309
Judicial	2,427,448	1,521,869	0	0	2,427,448	1,521,869
Public Safety	7,265,959	4,271,769	0	0	7,265,959	4,271,769
Public Works	3,292,010	10,587,175	0	0	3,292,010	10,587,175
Health	3,296,699	3,405,624	0	0	3,296,699	3,405,624
Human Services	9,667,395	11,482,304	0	0	9,667,395	11,482,304
Economic Development	408,687	1,300,993	0	0	408,687	1,300,993
Integovernmental	1,753,921	0	0	0	1,753,921	0
Interest and Fiscal Charges	579,533	597,254	0	0	579,533	597,254
Sewer	0	0	1,119,310	1,550,699	1,119,310	1,550,699
Total Program Expenses	33,645,259	37,961,297	1,119,310	1,550,699	34,764,569	39,511,996
Change in Net Position	14,361,068	8,585,328	2,846,989	64,157	17,208,057	8,649,485
Net Position at Beginning of Year	111,979,326	103,393,998	9,695,778	9,631,621	121,675,104	113,025,619
Net Position at End of Year	$126,340,394	$111,979,326	$12,542,767	$9,695,778	$138,883,161	$121,675,104

Governmental Activities

Program revenues accounted for 70.76 percent of total revenues for governmental activities in 2022. Governmental activities services are primarily funded through these program revenues, with operating grants accounting for $21,704,299 or 45.21 percent of total revenues. The major recipients of these intergovernmental receipts were the Motor Vehicle Gasoline Tax, Job and Family Services, Local Fiscal Recovery, and Board of Developmental Disabilities Special Revenue Funds. The Jail Project Capital Projects Fund also received a large grant, reported as capital grants and contributions, from the State of Ohio to further assist in funding the Jail capital project.

The County's direct charges to users of governmental services made up $6,764,781 or 14.09 percent of total governmental revenues. These charges are for fees associated with emergency medical services, the collection of property taxes, fines and forfeitures related to judicial activity, licenses and permits, and public assistance fees.

General revenues, primarily property and sales taxes, accounted for 29.24 percent of total revenues. This highlights the County's dependence upon its citizens and taxpayers to fund those programs most important to them.

Human service programs accounted for $9,667,395 or 28.73 percent of total expenses for governmental activities. The expenses are primarily for Job and Family Services, Children's Services, and Child Support Enforcement activity. These activities are almost entirely paid from program revenues. These grants and entitlements allow the County to continue to offer a wide variety of quality services to its citizens without increasing the tax burden on our citizens.

Public safety programs are a major activity of the County, accounting for $7,265,959 or 21.60 percent of all governmental expenses. These activities are funded primarily through property and sales taxes. The County attempts to supplement the income and activities of the sheriff department to enable the department to widen the scope of its activity at the lowest cost to the taxpayer.

Public works programs accounted for $3,292,010 or 9.78 percent of all governmental activities. These activities are paid entirely with program revenues. The funding from other governmental granting agencies was used for numerous road and bridge projects throughout the County.

General government legislative and executive and judicial, health, economic development, and interest and fiscal charges expenditures account for the remaining 39.89 percent of governmental expenses.

Business-Type Activities

The County's sewer operations experienced an increase in net position of $2,846,989 during 2022. Charges for services accounted for $1,107,988, or 27.94 percent of total revenue, while capital grants accounted for $2,779,176 or 70.07 percent of total revenue. Sewer expenses decreased $431,389 from 2021.

THE COUNTY'S FUNDS

The County's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $48,900,127 and expenditures of $50,089,297.

The fund balance of the General Fund decreased $199,995. This decrease was due to decreases in sales taxes and intergovernmental revenue, which were partially offset by an increase in charges for services. The General Fund's unassigned fund balance of $3,763,428 represented 32.57 percent of current year expenditures. Most of this balance remains in the County's treasury.

The fund balance of the Motor Vehicle Gasoline Tax Special Revenue Fund increased $2,302,170. The Motor Vehicle Gasoline Tax Special Revenue Fund's spendable fund balance of $4,041,581 represented 99.13 percent of current year expenditures.

The fund balance of the Job and Family Services Special Revenue Fund increased $640,686. The Job and Family Services Special Revenue Fund's spendable fund balance of $1,291,450 represented 17.78 percent of current year expenditures.

The fund balance of the Board of Developmental Disabilities Special Revenue Fund increased $246,842. The Board of Developmental Disabilities Special Revenue Fund's spendable fund balance of $2,558,019 represented 71.84 percent of current year expenditures.

The fund balance of the Jail Project Capital Improvement Fund decreased $5,027,108 due expenditures made during the year for the construction jail improvement project.

The Local Fiscal Recovery Fund has unearned revenue in the amount of $2,964,734 due to the timing of grant funding and resulting in a zero fund balance. The County expended $2,565,783 on various eligible programs and costs during the year and recognized a corresponding revenue for this amount.

The net position of the Sewer Enterprise Fund increased $2,846,989. The Sewer Fund's unrestricted net position of $927,195 represented 94.71 percent of current year expenses.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. From time to time during the year, the fund's budget may be amended as needs or conditions change.

During the course of 2022, the County amended its General Fund budget several times, though none were significant. All recommendations for a budget change came from either the County Auditor or departmental managers to the Finance Committee of the County Commissioners for review before going to the whole Commission for Ordinance enactment on the change. The allocation of appropriations among the departments and objects within a fund may be changes during the year with approval from the County Commissioners. With the General Fund supporting many of our major activities such as our sheriff department, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or overspending by individual departments.

For the General Fund, increases of $2,594,853 were made to the original budgeted revenues to account mostly for increases in sales tax revenue and ARPA reimbursements expected. Final budgeted expenditures and other financing uses increased $3,025,890 to account increases in legislative and executive and public safety expenditures and transfers and advances to other funds. Gallia County's ending unencumbered fund balance in the General Fund was $1,095,525 more than the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the County had $126,531,756 in governmental activities and $23,435,755 in business-type activities invested in land, infrastructure, construction in progress, land improvements, buildings and improvements, furniture, fixtures, and equipment, and vehicles. Table 3 shows 2022 balances compared to 2021.

(Table 3)
Capital Assets at December 31, 2022

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021	2022	2021*
Land	$1,355,765	$1,355,765	$0	$0	$1,355,765	$1,355,765
Infrastructure	97,076,465	97,076,465	7,503,232	7,824,418	104,579,697	104,900,883
Construction in Progress	15,762,515	4,807,827	15,851,651	11,472,731	31,614,166	16,280,558
Land Improvements	70,721	76,535	0	0	70,721	76,535
Building and Improvements	9,376,540	9,774,545	0	0	9,376,540	9,774,545
Furniture, Fixtures, and Equipment	1,483,227	1,599,921	68,442	74,021	1,551,669	1,673,942
Vehicles	1,406,523	1,307,857	12,430	21,386	1,418,953	1,329,243
Totals	$126,531,756	$115,998,915	$23,435,755	$19,392,556	$149,967,511	$135,391,471

*Certain reclassifications were made between asset classes. See Note 9 to the basic financial statements for additional information.

The assets of the County are reported at cost, net of depreciation. The County uses the modified approach to present infrastructure for its governmental type activities. Disclosures about the condition assessments for infrastructure can be found in the Required Supplementary Information. For additional information on capital assets, see Note 9 to the basic financial statements.

Debt

By year end, the County had various outstanding bonds, loans, and financed purchases, totaling $34,216,560 of which $982,707 is due within one year.

(Table 4)
Outstanding Debt at December 31, 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	$21,955,245	$22,385,340	$0	$0	$21,955,245	$22,385,340
Revenue Bonds	0	0	5,302,500	8,385,200	5,302,500	8,385,200
OWDA Loans	0	0	4,973,597	2,040,050	4,973,597	2,040,050
OPWC Loans	86,262	101,646	1,200,666	1,098,881	1,286,928	1,200,527
Financed Purchases	698,290	976,393	0	0	698,290	976,393
Totals	$22,739,797	$23,463,379	$11,476,763	$11,524,131	$34,216,560	$34,987,510

The County's overall legal debt margin was $17,981,311 as of December 31, 2022. For additional information on the County's debt, see Notes 18 and 22 to the basic financial statements.

CURRENT ISSUES

As the preceding information shows, the County depends heavily on its taxpayers and grants and entitlements. Gallia County has tightened spending to better bring expenses in line with revenues and carefully watched financial planning, in order to remain on firm financial footing.

CONTACTING THE COUNTY AUDITOR'S DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Robert J. Jacks, Gallia County Auditor, 18 Locust Street, Gallipolis, Ohio 45631.

Gallia County
Statement of Net Position
As of December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Equivalents	$33,220,319	$877,281	$34,097,600
Cash and Cash Equivalents in Segregated Accounts	266,565	0	266,565
Cash and Cash Equivalents with Fiscal Agents	264,178	0	264,178
Materials and Supplies Inventory	475,651	0	475,651
Accrued Interest Receivable	37,294	0	37,294
Accounts Receivable	269,941	399,518	669,459
Internal Balances	378,702	(378,702)	0
Intergovernmental Receivable	4,485,254	142,756	4,628,010
Prepaid Items	239,976	1,701	241,677
Sales Tax Receivable	1,977,420	0	1,977,420
Other Local Taxes Receivable	56,732	0	56,732
Property Taxes Receivable	5,532,773	0	5,532,773
Leases Receivable	965,919	0	965,919
Unamortized Bond Insurance Premium	82,814	0	82,814
Restricted Cash and Cash Equivalents	764,932	260,253	1,025,185
Net Pension Asset	275,610	0	275,610
Net OPEB Asset	2,469,576	0	2,469,576
Nondepreciable Capital Assets	114,194,745	15,851,651	130,046,396
Depreciable Capital Assets, Net	12,337,011	7,584,104	19,921,115
Total Assets	178,295,412	24,738,562	203,033,974
Deferred Outflows of Resources			
Deferred Charge on Refunding	7,352	0	7,352
Pension	3,413,095	0	3,413,095
OPEB	44,827	0	44,827
Asset Retirement Obligations	0	306,500	306,500
Total Deferred Outflows of Resources	3,465,274	306,500	3,771,774
Liabilities			
Accounts Payable	321,895	0	321,895
Accrued Wages and Benefits Payable	455,639	5,382	461,021
Contracts Payable	1,807,693	131,619	1,939,312
Intergovernmental Payable	99,972	1,134	101,106
Matured Compensated Absences Payable	5,045	0	5,045
Accrued Interest Payable	48,652	27,588	76,240
Accrued Vacation Leave Payable	769,749	9,190	778,939
Retainage Payable	764,932	260,253	1,025,185
Unearned Revenue	3,070,952	0	3,070,952
Long-Term Liabilities:			
Due Within One Year	692,792	289,915	982,707
Due in More Than One Year:			
Other Amounts Due in More Than One Year	22,412,832	11,777,214	34,190,046
Net Pension Liability	7,699,700	0	7,699,700
Total Liabilities	38,149,853	12,502,295	50,652,148
Deferred Inflows of Resources			
Property Taxes Not Levied to Finance Current Year Operations	5,182,053	0	5,182,053
Pension	8,571,667	0	8,571,667
OPEB	2,550,800	0	2,550,800
Leases	965,919	0	965,919
Total Deferred Inflows of Resources	17,270,439	0	17,270,439
Net Position			
Net Investment in Capital Assets	101,309,501	11,615,572	112,925,073
Restricted for Debt Service	69,909	0	69,909
Restricted for Capital Outlay	302,085	0	302,085
Restricted for Jail Capital Project	11,995,048	0	11,995,048
Restricted for Other Purposes	130,220	0	130,220
Restricted for Roads and Bridges	6,282,902	0	6,282,902
Restricted for Job and Family Services	1,238,821	0	1,238,821
Restricted for Developmental Disabilities	2,813,268	0	2,813,268
Restricted for Community Development	105,505	0	105,505
Restricted for Court Operations	2,295,332	0	2,295,332
Restricted for Sheriff Operations	115,502	0	115,502
Restricted for Emergency Management Services	1,730,675	0	1,730,675
Restricted for Real Estate Management	788,007	0	788,007
Restricted for Childrens Services Operations	655,436	0	655,436
Restricted for Child Support Services	1,270,096	0	1,270,096
Restricted for Unclaimed Monies	16,788	0	16,788
Unrestricted (Deficit)	(4,778,701)	927,195	(3,851,506)
Total Net Position	$126,340,394	$12,542,767	$138,883,161

See accompanying notes to the basic financial statements.

Gallia County
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental Activities				
General Government:				
Legislative and Executive	$4,953,607	$2,584,630	$190,048	$0
Judicial	2,427,448	949,545	868,785	0
Public Safety	7,265,959	1,468,822	1,209,987	5,500,000
Public Works	3,292,010	208,718	5,793,426	0
Health	3,296,699	720,505	1,291,301	0
Human Services	9,667,395	666,137	10,244,924	0
Community and Economic Development	408,687	123,633	570,907	0
Intergovernmental	1,753,921	0	1,534,921	0
Interest on Long-Term Debt	579,533	42,791	0	0
Total Governmental Activities	33,645,259	6,764,781	21,704,299	5,500,000
Business-Type Activities				
Sewer	1,119,310	1,107,988	0	2,779,176
Total Business-Type Activities	1,119,310	1,107,988	0	2,779,176
Total Primary Government	$34,764,569	$7,872,769	$21,704,299	$8,279,176

General Revenues
Property Taxes Levied for:
General Purposes
Board of Developmental Disabilities
Sales Taxes Levied for:
General Purposes
Public Safety
Other Local Taxes
Grants and Entitlements not Restricted to Specific Programs
Contributions and Donations not Restricted to Specific Programs
Unrestricted Investment Earnings
Gain on Sale of Capital Assets
Other
Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
($2,178,929)	$0	($2,178,929)
(609,118)	0	(609,118)
912,850	0	912,850
2,710,134	0	2,710,134
(1,284,893)	0	(1,284,893)
1,243,666	0	1,243,666
285,853	0	285,853
(219,000)	0	(219,000)
(536,742)	0	(536,742)
323,821	0	323,821
0	2,767,854	2,767,854
0	2,767,854	2,767,854
323,821	2,767,854	3,091,675
2,611,813	0	2,611,813
1,881,037	0	1,881,037
5,936,454	0	5,936,454
1,088,317	0	1,088,317
235,745	0	235,745
1,431,256	0	1,431,256
5,000	0	5,000
208,730	14,003	222,733
8,100	0	8,100
630,795	65,132	695,927
14,037,247	79,135	14,116,382
14,361,068	2,846,989	17,208,057
111,979,326	9,695,778	121,675,104
$126,340,394	$12,542,767	$138,883,161

Gallia County
Balance Sheet
Governmental Funds
As of December 31, 2022

	General	Motor Vehicle Gasoline Tax	Job and Family Services	Local Fiscal Recovery
Assets				
Equity in Pooled Cash and Cash Equivalents	$3,708,248	$3,220,307	$1,465,339	$2,969,732
Cash and Cash Equivalents in Segregated Accounts	36,690	4	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Materials and Supplies Inventory	11,235	464,091	0	0
Accrued Interest Receivable	37,294	0	0	0
Accounts Receivable	41,674	1,462	9	0
Interfund Receivable	1,512,950	0	1,301	0
Due from Other Funds	114,400	0	169,741	0
Intergovernmental Receivable	623,570	2,748,643	8,692	0
Prepaid Items	134,771	17,003	23,444	0
Sales Tax Receivable	1,647,875	0	0	0
Other Local Taxes Receivable	0	0	0	0
Property Taxes Receivable	3,402,049	0	0	0
Leases Receivable	397,177	0	0	0
Restricted Cash and Cash Equivalents	16,788	0	0	0
Total Assets	$11,684,721	$6,451,510	$1,668,526	$2,969,732
Liabilities				
Accounts Payable	$56,021	$0	$133,240	$0
Accrued Wages and Benefits Payable	177,793	39,449	57,963	4,329
Contracts Payable	0	0	0	0
Intergovernmental Payable	29,461	6,095	8,115	669
Matured Compensated Absences Payable	5,045	0	0	0
Retainage Payable	0	0	0	0
Interfund Payable	0	0	0	0
Due to Other Funds	0	17,003	45,026	0
Unearned Revenue	0	0	106,218	2,964,734
Total Liabilities	268,320	62,547	350,562	2,969,732
Deferred Inflows of Resources				
Property Taxes Not Levied to Finance Current Year Operations	3,209,707	0	0	0
Leases	397,177	0	0	0
Unavailable Revenue:				
Property Taxes	192,342	0	0	0
Sales Taxes	569,043	0	0	0
Grants and Entitlements	386,117	1,866,288	3,070	0
Interest	37,294	0	0	0
Total Unavailable Revenue	1,184,796	1,866,288	3,070	0
Total Deferred Inflows of Resources	4,791,680	1,866,288	3,070	0
Fund Balances				
Nonspendable	162,794	481,094	23,444	0
Restricted	0	4,041,581	1,291,450	0
Committed	117,206	0	0	0
Assigned	2,581,293	0	0	0
Unassigned (Deficit)	3,763,428	0	0	0
Total Total Fund Balance	6,624,721	4,522,675	1,314,894	0
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$11,684,721	$6,451,510	$1,668,526	$2,969,732

See accompanying notes to the basic financial statements.

Board of Developmental Disabilities	Jail Project Capital Improvements	Other Governmental Funds	Total Governmental Funds
$2,272,600	$12,246,130	$7,076,626	$32,958,982
0	0	207,207	243,901
264,178	0	0	264,178
0	0	325	475,651
0	0	0	37,294
0	0	226,796	269,941
0	0	0	1,514,251
0	0	0	284,141
446,839	0	657,510	4,485,254
21,995	0	42,763	239,976
0	0	329,545	1,977,420
0	0	56,732	56,732
2,130,724	0	0	5,532,773
568,742	0	0	965,919
0	748,918	16,014	781,720
$5,705,078	$12,995,048	$8,613,518	$50,088,133
$66,011	$0	$66,623	$321,895
55,894	0	120,211	455,639
0	1,753,488	54,205	1,807,693
28,955	0	26,677	99,972
0	0	0	5,045
0	748,918	16,014	764,932
0	1,000,000	137,250	1,137,250
21,995	0	198,416	282,440
0	0	0	3,070,952
172,855	3,502,406	619,396	7,945,818
1,972,346	0	0	5,182,053
568,742	0	0	965,919
158,378	0	0	350,720
0	0	113,847	682,890
252,743	0	351,109	2,859,327
0	0	0	37,294
411,121	0	464,956	3,930,231
2,952,209	0	464,956	10,078,203
21,995	0	43,088	732,415
2,558,019	9,492,642	7,213,537	24,597,229
0	0	276,043	393,249
0	0	0	2,581,293
0	0	(3,502)	3,759,926
2,580,014	9,492,642	7,529,166	32,064,112
$5,705,078	$12,995,048	$8,613,518	$50,088,133

Gallia County
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
As of December 31, 2022

Total Governmental Fund Balances		$32,064,112
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.		126,531,756
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	350,720	
Sales Taxes	682,890	
Grants and Entitlements	2,859,327	
Interest	37,294	
Total		3,930,231
Unamortized bond insurance premiums do not provide current financial resources and therefore are not reported in the funds.		82,814
Deferred charges on refunding related to the issuance of long-term refunding debt will be amortized over the life of the debt on the statement of net position.		7,352
Vacation leave benefits payable is recognized for earned vacations and other leave benefits that are to be used within one year but is not recognized on the balance sheet until due.		(769,749)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued Interest Payable	(48,652)	
General Obligation Bonds	(21,955,245)	
OPWC Loans	(86,262)	
Financed Purchases Payable	(698,290)	
Compensated Absences Payable	(365,827)	
Total		(23,154,276)
The net pension and OPEB liabilities (assets) are not due and payable in the current period; therefore, these liabilities (assets) and related deferred inflows/outflows are not reported in the governmental funds.		
Net Pension Asset	275,610	
Net OPEB Asset	2,469,576	
Deferred Outflows-Pension	3,413,095	
Deferred Outflows-OPEB	44,827	
Net Pension Liability	(7,699,700)	
Deferred Inflows-Pension	(8,571,667)	
Deferred Inflows-OPEB	(2,550,800)	
Total		(12,619,059)
The internal service fund used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities of the statement of net position.		267,213
Net Position of Governmental Activities		$126,340,394

See accompanying notes to the basic financial statements.

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Gallia County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Motor Vehicle Gasoline Tax	Job and Family Services	Local Fiscal Recovery
Revenues				
Property Taxes	$2,754,361	$0	$0	$0
Sales Taxes	6,077,377	0	0	0
Other Local Taxes	0	0	0	0
Charges for Services	1,940,991	154,908	340,645	0
Licenses and Permits	2,438	37,969	0	0
Fines and Forfeitures	196,780	20,341	0	0
Intergovernmental	1,342,999	5,663,479	7,115,014	2,565,783
Interest	197,752	9,811	0	0
Rent	100,335	0	17,210	0
Contributions and Donations	5,000	0	0	0
Other	362,525	0	3,395	0
Total Revenues	12,980,558	5,886,508	7,476,264	2,565,783
Expenditures				
Current:				
General Government:				
Legislative and Executive	4,727,721	0	0	28,137
Judicial	1,410,186	0	0	0
Public Safety	4,846,120	0	0	626,358
Public Works	56,853	3,227,387	0	153,433
Health	44,638	0	0	7,205
Human Services	342,251	0	7,212,572	10,245
Community and Economic Development	0	0	0	0
Capital Outlay	7,914	91,500	50,800	205,484
Intergovernmental	119,000	0	0	1,534,921
Debt Service:				
Principal	0	94,082	0	0
Interest	0	13,906	0	0
Total Expenditures	11,554,683	3,426,875	7,263,372	2,565,783
Excess of Revenues Over (Under) Expenditures	1,425,875	2,459,633	212,892	0
Other Financing Sources (Uses)				
Transfers In	0	0	427,794	0
Proceeds from Sale of Capital Assets	16,407	0	0	0
Transfers Out	(1,642,277)	(157,463)	0	0
Total Other Financing Sources (Uses)	(1,625,870)	(157,463)	427,794	0
Net Change in Fund Balances	(199,995)	2,302,170	640,686	0
Fund Balances at Beginning of Year	6,824,716	2,220,505	674,208	0
Fund Balances at End of Year	$6,624,721	$4,522,675	$1,314,894	$0

See accompanying notes to the basic financial statements.

Board of Developmental Disabilities	Jail Project Capital Improvements	Other Governmental Funds	Total Governmental Funds
$1,947,800	$0	$0	$4,702,161
0	0	1,152,826	7,230,203
0	0	234,229	234,229
575,096	0	2,895,713	5,907,353
0	0	11,353	51,760
0	0	306,621	523,742
1,246,413	5,500,000	4,962,578	28,396,266
29,406	0	413	237,382
129,845	0	42,791	290,181
6,020	0	1,832	12,852
0	0	298,078	663,998
3,934,580	5,500,000	9,906,434	48,250,127
0	0	959,808	5,715,666
0	0	1,347,696	2,757,882
0	0	3,151,397	8,623,875
0	0	36,420	3,474,093
3,337,355	0	86,512	3,475,710
0	0	2,704,467	10,269,535
0	0	307,562	307,562
223,400	10,527,108	642,608	11,748,814
0	0	100,000	1,753,921
0	0	600,405	694,487
0	0	603,846	617,752
3,560,755	10,527,108	10,540,721	49,439,297
373,825	(5,027,108)	(634,287)	(1,189,170)
0	0	2,031,199	2,458,993
0	0	0	16,407
(126,983)	0	(532,270)	(2,458,993)
(126,983)	0	1,498,929	16,407
246,842	(5,027,108)	864,642	(1,172,763)
2,333,172	14,519,750	6,664,524	33,236,875
$2,580,014	$9,492,642	$7,529,166	$32,064,112

Gallia County

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Funds		($1,172,763)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period:		
Capital Asset Additions	12,203,849	
Current Year Depreciation	(1,511,372)	
Total		10,692,477
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(159,636)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property Taxes	(209,311)	
Sales Taxes	(205,432)	
Other Local Taxes	1,516	
Charges for Services	(8,255)	
Grants and Entitlements	191,807	
Interest	10,978	
Other	(33,203)	
Total		(251,900)
Repayment of bond, loan, and financed purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		694,487
Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Decrease in Compensated Absences	36,088	
Bond Premiums	29,095	
Vacation Leave Benefits Payable	(12,210)	
Amortization of Deferred Charges on Refunding	(525)	
Amortization of Bond Insurance Premium	(2,217)	
Decrease in Accrued Interest Payable	11,866	
Total		62,097
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pensions	1,724,031	
Total		1,724,031
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities (assets) are reported as pension/OPEB expenses in the statement of activities.		
Pensions	765,314	
OPEB	1,973,437	
Total		2,738,751
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental funds.		33,524
Net Change in Net Position of Governmental Activities		$14,361,068

See accompanying notes to the basic financial statements.

Gallia County

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)

General Fund

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$2,837,920	$2,837,920	$2,733,337	($104,583)
Sales Taxes	3,887,401	5,091,199	6,269,396	1,178,197
Charges for Services	1,267,658	1,686,318	1,933,699	247,381
Licenses and Permits	1,512	1,980	2,438	458
Fines and Forfeitures	121,105	158,607	195,311	36,704
Intergovernmental	821,933	1,076,459	1,325,571	249,112
Interest	108,094	141,568	174,802	33,234
Rent	76,275	99,895	123,013	23,118
Contributions and Donations	3,100	4,060	5,000	940
Other	2,008,114	2,629,959	490,034	(2,139,925)
Total Revenues	11,133,112	13,727,965	13,252,601	(475,364)
Expenditures				
Current:				
General Government:				
Legislative and Executive	5,289,491	5,488,224	4,924,414	563,810
Judicial	1,319,669	1,431,555	1,426,226	5,329
Public Safety	4,309,855	5,013,757	5,011,607	2,150
Public Works	95,062	90,018	90,018	0
Health	97,092	55,864	55,864	0
Human Services	475,207	348,979	347,805	1,174
Capital Outlay	0	7,914	7,914	0
Intergovernmental	0	119,000	119,000	0
Total Expenditures	11,586,376	12,555,311	11,982,848	572,463
Excess of Revenues Over (Under) Expenditures	(453,264)	1,172,654	1,269,753	97,099
Other Financing Sources (Uses)				
Transfers In	0	0	710,000	710,000
Proceeds from Sale of Capital Assets	0	0	16,407	16,407
Advances In	0	0	85,282	85,282
Transfers Out	(893,170)	(2,539,014)	(2,352,277)	186,737
Advances Out	0	(411,111)	(411,111)	0
Total Other Financing Sources (Uses)	(893,170)	(2,950,125)	(1,951,699)	998,426
Net Change in Fund Balances	(1,346,434)	(1,777,471)	(681,946)	1,095,525
Fund Balances at Beginning of Year-Restated	4,024,955	4,024,955	4,024,955	0
Prior Year Encumbrances Appropriated	178,990	178,990	178,990	0
Fund Balances at End of Year	$2,857,511	$2,426,474	$3,521,999	$1,095,525

See accompanying notes to the basic financial statements.

Gallia County

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)

Motor Vehicle Gasoline Tax

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Charges for Services	$138,820	$175,807	$191,904	$16,097
Licenses and Permits	27,716	35,100	38,314	3,214
Fines and Forfeitures	15,412	19,519	21,306	1,787
Intergovernmental	4,810,955	6,092,800	6,000,656	(92,144)
Interest	7,097	8,988	9,811	823
Total Revenues	5,000,000	6,332,214	6,261,991	(70,223)
Expenditures				
Current:				
Public Works	5,567,312	4,814,896	4,164,896	650,000
Capital Outlay	0	91,500	91,500	0
Debt Service:				
Principal	0	94,082	94,082	0
Interest	0	13,906	13,906	0
Total Expenditures	5,567,312	5,014,384	4,364,384	650,000
Excess of Revenues Over (Under) Expenditures	(567,312)	1,317,830	1,897,607	579,777
Other Financing Uses				
Transfers Out	0	(157,463)	(157,463)	0
Total Other Financing Uses	0	(157,463)	(157,463)	0
Net Change in Fund Balances	(567,312)	1,160,367	1,740,144	579,777
Fund Balances at Beginning of Year	1,462,957	1,462,957	1,462,957	0
Fund Balances at End of Year	$895,645	$2,623,324	$3,203,101	$579,777

See accompanying notes to the basic financial statements.

Gallia County

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)

Job and Family Services

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$300,013	$300,013	$203,662	($96,351)
Intergovernmental	11,015,409	11,362,409	7,477,732	(3,884,677)
Rent	25,352	25,352	17,210	(8,142)
Other	3,284	3,284	2,229	(1,055)
Total Revenues	11,344,058	11,691,058	7,700,833	(3,990,225)
Expenditures				
Current:				
Human Services	11,974,239	7,309,031	7,309,031	0
Capital Outlay	0	50,800	50,800	0
Total Expenditures	11,974,239	7,359,831	7,359,831	0
Excess of Revenues Over (Under) Expenditures	(630,181)	4,331,227	341,002	(3,990,225)
Other Financing Sources				
Transfers In	630,181	630,181	427,794	(202,387)
Total Other Financing Sources	630,181	630,181	427,794	(202,387)
Net Change in Fund Balances	0	4,961,408	768,796	(4,192,612)
Fund Balances at Beginning of Year	680,157	680,157	680,157	0
Fund Balances at End of Year	$680,157	$5,641,565	$1,448,953	($4,192,612)

See accompanying notes to the basic financial statements.

Gallia County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)
Local Fiscal Recovery Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$2,903,668	$2,903,668	$2,903,668	$0
Total Revenues	2,903,668	2,903,668	2,903,668	0
Expenditures				
Current:				
General Government:				
Legislative and Executive	17,046	38,683	38,683	0
Public Safety	0	631,414	631,414	0
Public Works	0	153,433	153,433	0
Health	0	7,205	7,205	0
Human Services	0	10,245	10,245	0
Capital Outlay	0	205,484	205,484	0
Intergovernmental	0	1,534,921	1,534,921	0
Total Expenditures	17,046	2,581,385	2,581,385	0
Net Change in Fund Balances	2,886,622	322,283	322,283	0
Fund Balances at Beginning of Year	2,647,449	2,647,449	2,647,449	0
Fund Balances at End of Year	$5,534,071	$2,969,732	$2,969,732	$0

See accompanying notes to the basic financial statements.

Gallia County

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)

Board of Developmental Disabilities

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Property Taxes	$1,960,860	$1,960,860	$1,969,722	$8,862
Charges for Services	426,685	432,089	545,490	113,401
Intergovernmental	982,749	995,195	1,256,384	261,189
Rent	124,997	126,580	159,801	33,221
Contributions and Donations	4,709	4,769	6,020	1,251
Total Revenues	3,500,000	3,519,493	3,937,417	417,924
Expenditures				
Current:				
Health	3,202,389	3,545,708	3,503,282	42,426
Capital Outlay	0	223,400	223,400	0
Total Expenditures	3,202,389	3,769,108	3,726,682	42,426
Excess of Revenues Over (Under) Expenditures	297,611	(249,615)	210,735	460,350
Other Financing Sources (Uses)				
Transfers In	0	4,528	0	(4,528)
Transfers Out	0	(126,983)	(126,983)	0
Total Other Financing Sources (Uses)	0	(122,455)	(126,983)	(4,528)
Net Change in Fund Balances	297,611	(372,070)	83,752	455,822
Fund Balances at Beginning of Year	1,968,437	1,968,437	1,968,437	0
Prior Year Encumbrances Appropriated	58,450	58,450	58,450	0
Fund Balances at End of Year	$2,324,498	$1,654,817	$2,110,639	$455,822

See accompanying notes to the basic financial statements.

Gallia County
Statement of Fund Net Position
Proprietary Funds
As of December 31, 2022

	Business-Type Activities	Governmental Activities
	Sewer	Internal Service
Assets		
Current Assets		
Equity in Pooled Cash and Cash Equivalents	$877,281	$244,549
Cash and Cash Equivalents with Segregated Accounts	0	22,664
Accounts Receivable	399,518	0
Intergovernmental Receivable	142,756	0
Prepaid Items	1,701	0
Total Current Assets	1,421,256	267,213
Noncurrent Assets		
Restricted Cash and Cash Equivalents	260,253	0
Nondepreciable Capital Assets	15,851,651	0
Depreciable Capital Assets, Net	7,584,104	0
Total Noncurrent Assets	23,696,008	0
Total Assets	25,117,264	267,213
Deferred Outflows of Resources		
Asset Retirement Obligations	306,500	0
Total Deferred Outflows of Resources	306,500	0
Liabilities		
Current Liabilities		
Accrued Wages and Benefits Payable	5,382	0
Contracts Payable	131,619	0
Intergovernmental Payable	1,134	0
Accrued Interest Payable	27,588	0
Accrued Vacation Leave Payable	9,190	0
Retainage Payable	260,253	0
Interfund Payable	377,001	0
Due to Other Funds	1,701	0
Revenue Bonds Payable - Current Portion	109,600	0
OPWC Loans Payable - Current Portion	15,416	0
OWDA Loans Payable - Current Portion	164,899	0
Total Current Liabilities	1,103,783	0
Noncurrent Liabilities		
Compensated Absences Payable - Net of Current Portion	10,366	0
Revenue Bonds Payable - Net of Current Portion	5,192,900	0
OPWC Loans Payable - Net of Current Portion	1,185,250	0
OWDA Loans Payable - Net of Current Portion	4,808,698	0
Asset Retirement Obligation	580,000	0
Total Noncurrent Liabilities	11,777,214	0
Total Liabilities	12,880,997	0
Net Position		
Net Investment in Capital Assets	11,615,572	0
Unrestricted	927,195	267,213
Total Net Position	$12,542,767	$267,213

See accompanying notes to the basic financial statements.

Gallia County

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities	Governmental Activities
	Sewer	Internal Service
Operating Revenues		
Charges for Services	$1,107,988	$0
Other	65,132	51,011
Total Operating Revenues	1,173,120	51,011
Operating Expenses		
Salaries and Wages	130,988	0
Fringe Benefits	59,280	20,487
Contractual Services	385,353	0
Materials and Supplies	25,819	0
Depreciation	335,721	0
Other	41,843	0
Total Operating Expenses	979,004	20,487
Operating Income	194,116	30,524
Nonoperating Revenues (Expenses)		
Interest	14,003	0
Intergovernmental	0	3,000
Interest and Fiscal Charges	(140,306)	0
Total Nonoperating Revenues (Expenses)	(126,303)	3,000
Income Before Capital Contributions	67,813	33,524
Capital Contributions	2,779,176	0
Change in Net Position	2,846,989	33,524
Net Position Beginning of Year	9,695,778	233,689
Net Position End of Year	$12,542,767	$267,213

See accompanying notes to the basic financial statements.

Galliа County

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2022

	Business-Type Activities	Governmental Activities
	Sewer	Internal Service
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Customers	$1,036,705	$0
Cash Payments for Employee Services and Benefits	(197,686)	(20,487)
Cash Payments to Suppliers for Goods and Services	(358,970)	0
Other Operating Revenues	65,132	51,011
Other Operating Expenses	(41,843)	0
Net Cash Provided for Operating Activities	503,338	30,524
Cash Flows from Noncapital Financing Activities		
Nonoperating Grants	0	3,000
Advances from Other Funds	198,272	0
Net Cash Provided for Noncapital Financing Activities	198,272	3,000
Cash Flows from Capital and Related Financing Activities		
Capital Grants	2,636,420	0
Payments for Capital Assets	(4,573,951)	0
Proceeds from Loans	3,243,827	0
Principal Paid on Debt	(3,291,195)	0
Interest and Fiscal Charges Paid on Debt	(211,932)	0
Net Cash Used for Noncapital Financing Activities	(2,196,831)	0
Cash Flows from Investing Activities		
Investment Earnings	14,003	0
Net Cash Provided by Investing Activities	14,003	0
Net Change in Cash and Cash Equivalents	(1,481,218)	33,524
Cash and Cash Equivalents Beginning of Year	2,618,752	233,689
Cash and Cash Equivalents End of Year	$1,137,534	$267,213
Reconciliation of Operating Income to Net Cash Provided for Operating Activities		
Operating Income	$194,116	$30,524
Adjustments to Reconcile Operating Income to Net Cash Provided for Operating Activities:		
Depreciation	335,721	0
Changes in Assets, Liabilities, and Deferred Inflows/Outflows of Resources:		
Increase in Accounts Receivable	(71,283)	0
Decrease in Prepaid Items	116	0
Decrease in Accounts Payable	(10,866)	0
Increase in Accrued Wages and Benefits Payable	660	0
Increase in Contracts Payable	48,452	0
Decrease in Intergovernmental Payable	(8,206)	0
Decrease in Payroll Withholdings Payable	(734)	0
Decrease in Vacation Leave Benefits Payable	(863)	0
Increase in Compensated Absences Payable	1,725	0
Decrease in Deferred Outflows	14,500	0
Net Cash Provided for Operating Activities	$503,338	$30,524

See accompanying notes to the basic financial statements.

Gallia County

Statement of Fiduciary Net Position

Custodial Funds

As of December 31, 2022

Assets	
Equity in Pooled Cash and Investments	$5,561,467
Cash and Cash Equivalents in Segregated Accounts	466,552
Accounts Receivable	214,359
Intergovernmental Receivable	2,040,296
Property Taxes Receivable	31,256,072
Special Assessments Receivable	51,202
Total Assets	39,589,948
Liabilities	
Accounts Payable	132,962
Intergovernmental Payable	2,225,850
Total Liabilities	2,358,812
Deferred Inflows of Resources	
Property Taxes Not Levied to Finance Current Year Operations	31,256,072
Total Deferred Inflows of Resources	31,256,072
Net Position	
Restricted for Individuals, Organizations, and Other Governments	5,975,064
Total Net Position	$5,975,064

See accompanying notes to the basic financial statements.

Gallia County

Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended December 31, 2022

Additions	
Intergovernmental	$4,612,775
Amounts Received as Fiscal Agent	10,757,414
Licenses, Permits, and Fees for Other Governments	4,406,405
Fines and Forfeitures for Other Governments	594,035
Property Tax Collections for Other Governments	28,396,705
Sheriff Sale Collections for Others	12,884
Amounts Received for Others	163,027
Total Additions	48,943,245
Deductions	
Distributions as Fiscal Agent	9,848,870
Distributions of State Funds to Other Governments	4,250,970
Distributions to the State of Ohio	4,431,876
Fines and Forfeitures Distributions to Other Governments	528,720
Property Tax Distributions to Other Governments	28,756,830
Sheriff Sale Distributions to Others	95,098
Other Distributions	162,752
Miscellaneous	148,882
Total Deductions	48,223,998
Change in Net Position	719,247
Net Position at Beginning of Year	5,255,817
Net Position at End of Year	$5,975,064

See accompanying notes to the basic financial statements.

NOTE 1 - REPORTING ENTITY

Gallia County, Ohio (the County), was created in 1803. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a Probate/Juvenile Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Gallia County, this includes the Gallia County Board of Developmental Disabilities, Gallia County Children Services Board, and all departments and activities that are directly operated by the elected County officials.

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

Gallia County Transportation Improvement District The Gallia County Transportation Improvement District (GCTID) is a legally separate entity pursuant to the Ohio Revised Code Section 5540.03(A)(1). The purpose of the GCTID is to improve the transportation system in Gallia County in order to contribute to the creation or preservation of jobs or employment opportunities or the improvement of economic welfare of the people within the area of the GCTID and to all the State. The Board of Trustees is appointed pursuant to the Ohio Revised Code Section 5540.02(C)(2). The Board of Trustees is made up of five voting members appointed by the Gallia County Commissioners, there are also two nonvoting members, one of which is appointed by the Speaker of the Ohio House of Representatives and the other is appointed by the president of the Ohio Senate. Separately issued financial statements can be obtained from the Gallia County Transportation Improvement District, Gallipolis, Ohio. The GCTID had no material activity during 2022 and therefore no additional disclosures have been made.

Gallia County Land Reutilization Corporation In May 2021, the County Commissioners approved the creation of the Gallia County Land Reutilization Corporation. The corporation had no material activity in 2022 and therefore no additional disclosures have been made.

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the legally separate agencies, boards, and commissions listed below, the County serves as fiscal agent, but is not financially accountable for their operations nor are they fiscally dependent on the County. Accordingly, the activity of the following districts and agencies are presented as custodial funds within the County's financial statements.

The Gallia-Jackson-Meigs Counties Board of Alcohol, Drug Addiction, and Mental Health Services (ADAMH), O.O. McIntyre Park District, Gallia County Health Department, Gallia County Soil and Water Conservation District, and Gallia County Family and Children First Council are presented as custodial funds of the County because the County Auditor serves as the fiscal agent for these organizations.

The Gallia-Jackson-Meigs Counties Board of Alcohol, Drug Addiction, and Mental Health Services (ADAMH) of Gallia County operates under a fourteen-member Board which is the governing Body. The Board's Director and the legislative authorities of the political subdivisions making up the Board appoint the other Board members. The Board includes members from those legislative authorities as well as citizens of the Board. Those subdivisions are Gallia County, Jackson County, and Meigs County. The Board provides alcohol, drug addiction and mental health services and programs to citizens of the Board's program area. Private and public agencies are the primary service providers, through Board contracts.

The O.O. McIntyre Park District is governed by a three-member Board of Commissioners appointed by the probate judge of Gallia County. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

Gallia County Health Department is governed by a five member Board of Health which oversees the operation of the Health District. The Board is elected by a District Advisory Council composed of township trustees, county commissioners, and mayors of participating municipalities. The Board adopts its own budget and hires and fires its own staff. The Board has sole budgetary authority, and controls surpluses and deficits. The County is not legally obligated for the Health District's debt.

Gallia County Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five Supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The Supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits. The District submits a budget to the Board of County Commissioners for inclusion on the County's annual appropriation resolution. The Ohio Department of Natural Resources provides funding to match what is provided by the County out of the General Fund.

Gallia County Family and Children First Council is controlled by an oversight committee. The chair of the County Commissioners serves on the committee. The County is the fiscal agent for the Council's monies.

The County is associated with the following organizations that are defined as jointly governed organizations, related organizations, or shared risk pools. These organizations are presented in Notes 19, 20, and 21 to the basic financial statements.

Solid Waste Management District
Gallia-Jackson-Meigs Counties Board of Alcohol, Drug Addiction, and Mental Health Services (ADAMH)
Area Agency on Aging, District 7, Inc.
Ohio Valley Resource Conservation and Development Area, Inc.
Gallia-Meigs Community Action Agency
Gallia-Jackson Child Abuse and Neglect Advisory Board
Ohio Valley Regional Development Commission
Southern Ohio Council of Governments
Regional Child Abuse Prevention Council
O.O. McIntyre Park District
Bossard Memorial Library
Gallia Metropolitan Housing Authority
County Risk Sharing Authority, Inc. (CORSA)
County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the County's accounting policies are described below.

<u>*Basis of Presentation*</u>

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

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

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

<u>*Fund Accounting*</u>

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

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

> ***General Fund*** - The General Fund accounts for and reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose, provided it is expended and transferred according to the general laws of Ohio.
>
> ***Motor Vehicle Gasoline Tax Fund*** - This fund accounts for the County road and bridge maintenance, repair and improvement programs. Revenue sources include Federal and State grants and distributions.

Job and Family Services Fund - This fund accounts for various Federal and State grants, as well as transfers from the General Fund that are used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

Local Fiscal Recovery Fund The Local Fiscal Recovery Fund accounts for Federal monies from the Coronavirus State and Local Fiscal Recovery Funds program, a part of the American Rescue Plan Act of 2021, to support the County's response to and recovery from the COVID-19 public health emergency.

Board of Developmental Disabilities Fund - This fund accounts for the operation of a school, workshop, and resident homes for the developmentally disabled. Revenue sources include a county-wide property tax levy and Federal and State grants.

Jail Project Capital Improvement Fund - This fund accounts for the construction and improvement of the County Jail. Revenue sources include Bond Proceeds and capital grants from the State of Ohio used toward project costs associated with the County Jail.

The other governmental funds of the County account for grants and other resources and capital projects, whose use is restricted for or committed to a particular purpose.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Fund Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is a description of the County's Enterprise Fund:

Sewer Fund This fund accounts for sanitary sewer services provided to County individual and commercial users. The costs of providing these services are financed primarily through user charges.

Internal Service Funds Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The internal service fund accounts for funds held in reserve to cover excess deductible costs in providing health insurance for the County's employees.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The County's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the County as fiscal agent for the Board of Health and other districts and entities; for various taxes, assessments, fines and fees collected for the benefit of and distributed to other governments; and for State shared resources received from the State and distributed to other local governments.

<u>Measurement Focus</u>

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities, and deferred outflows and inflows of resources associated with the operation of the County are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and certain deferred outflows and inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities and deferred outflows and inflows of resources associated with the operation of these funds are included in the statement of net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust funds, and custodial funds.

<u>Basis of Accounting</u>

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales tax (see Note 8), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide statement of net position for asset retirement obligations, deferred charges on refunding, pension, and OPEB. The deferred outflows of resources related to asset retirement obligations are originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred charges on refunding represents the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt. The deferred charges on refunding is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, leases, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes delinquent property taxes, sales taxes, interest, charges for services, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

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. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

<u>Budgetary Process</u>

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The level of control has been established by the County Commissioners at the fund, function, and object level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2022 upon which the final appropriations were based.

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

Cash and Cash Equivalents

To improve cash management, cash received by the County Treasurer is pooled. Cash balances, except cash held by a fiscal agent or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

The Gallia County Board of Developmental Disabilities has an account held separate from the County's pooled accounts. This depository account is presented as "Cash and Cash Equivalents with Fiscal Agents" since it is not deposited into the County's treasury. Cash and cash equivalents with fiscal agents are reported for monies held in an outside account with United States Department of Agriculture. For 2022, there was $264,178 in cash with fiscal agents. See Note 6 for additional details.

Various departments within the County have segregated bank accounts for monies held separate from the County's central bank account. These accounts are presented as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited with the County Treasurer.

Investment procedures are restricted by the provisions of the Ohio Revised Code. County policy requires interest earned on investments to be credited to the General Fund except where there is a legal requirement or there are bond proceeds for capital improvements. Interest revenue credited to the General Fund during 2022 amounted to $197,752, which includes $171,761 assigned from other County funds.

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 County are considered to be cash equivalents.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by the creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the Jail Project Capital Improvement, other governmental, and Sewer enterprise funds represent funds restricted for retainage payable as of December 31, 2022. Unclaimed monies that are required to be held for five years before they may be utilized by the County are reported as restricted in the General Fund.

Receivables and Payables

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also, by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

Using these criteria, the County has elected to not record child support arrearages. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital 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. Capital assets utilized by the enterprise funds are reported both in the business type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The County was able to estimate the historical cost for the initial reporting of infrastructure by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The County maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.
All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

	Governmental Activities	Business-Type Activities
Land Improvements	20 - 40 Years	N/A
Buildings and Improvements	10 - 40 Years	N/A
Furniture, Fixtures, and Equipment	5 - 30 Years	5 - 30 Years
Vehicles	5 - 20 Years	5 - 20 Years
Infrastructure	N/A	15 - 40 Years

The County's infrastructure consists of County roads and bridges, certain culverts, and sewer systems. The County reports infrastructure acquired prior to December 31, 1980.

County road and bridges (infrastructure reported in the Governmental activities column of the statement of net position) are presented using the modified approach and therefore these assets are not depreciated. In addition, expenditures made by the County to preserve existing roads or bridges are expensed rather than capitalized. Only expenditures for additions or improvements are capitalized. Additional disclosures about the condition assessments and maintenance cost regarding the County's roads and bridges appear in the Required Supplementary Information.

Compensated Absences

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences" as interpreted by Interpretation No. 6 of the GASB, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements".

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The liability is recorded as "vacation leave benefits payable" as the balances are to be used by employees in the year following the year in which the benefit was earned.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those employees for whom it is probable will become eligible to receive payment in the future. The County has determined that employees with the County for ten to twenty years, depending on each department, are probable to receive payment in the future. The liability is based on accumulated sick leave and employees' wage rates at year end.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are reported as "matured compensated absences payable" in the fund from which the employees who will receive the payment are paid.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, vacation leave benefits payable, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, unless the use of proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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 or enabling legislation (County resolutions).

Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Commissioners or a County official delegated that authority by resolution or by State Statute.

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 County 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.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for marriage license services, hotel taxes, election security, and community reinvestment area administration activities.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Pensions/Other Postemployment Benefits (OPEB)

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for wastewater treatment and self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

Internal Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence. The County did not have any extraordinary or special items in 2022.

Estimates

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis) for the General and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Unrecorded cash and interest, segregated accounts, and prepaid items are reported on the balance sheet (GAAP) but not on the budgetary basis.
5. Cash that is held by the custodial funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate County fund.
6. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (cash).
7. Certain funds are accounted for as separate funds internally with legally adopted budgets (budget basis) that do not meet the definitions of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis are as follows:

	General	Motor Vehicle Gasoline Tax	Job and Family Services	Local Fiscal Recovery	Board of Developmental Disabilities
GAAP Basis	($199,995)	$2,302,170	$640,686	$0	$246,842
Net Adjustments for:					
Revenue Accruals and Adjustments	272,043	375,483	224,569	337,885	2,837
Expenditure Accruals and Adjustments	(373,954)	(937,509)	(96,459)	(15,602)	(51,927)
Encumbrances	(54,211)	0	0	0	(114,000)
Other Sources (Uses)	(325,829)	0	0	0	0
Budget Basis	($681,946)	$1,740,144	$768,796	$322,283	$83,752

NOTE 4 - DEFICIT FUND BALANCES

The following fund had a deficit fund balance as of December 31, 2022:

	Deficit
Other Governmental Funds:	
County CARES Act	$1,425
	$1,425

This deficit resulted from payables recorded in accordance with Generally Accepted Accounting Principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 5 - FUND BALANCES

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

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Fund Balances	General Fund	Motor Vehicle Gasonline Tax	Job and Family Services	Board of Developmental Disabilities	Jail Project Capital Improvement	Other Governmental Funds	Totals
Nonspendable:							
Inventory	$11,235	$464,091	$0	$0	$0	$325	$475,651
Prepaids	134,771	17,003	23,444	21,995	0	42,763	239,976
Unclaimed Monies	16,788	0	0	0	0	0	16,788
Total Nonspendable	162,794	481,094	23,444	21,995	0	43,088	732,415
Restricted for:							
Road and Bridge Projects	0	4,041,581	0	0	0	75,000	4,116,581
Emergency Management Services	0	0	0	0	0	1,693,222	1,693,222
Court Operations	0	0	0	0	0	2,069,156	2,069,156
Real Estate Assessment	0	0	0	0	0	784,568	784,568
Developmental Disabilities	0	0	0	2,558,019	0	0	2,558,019
Job and Family Services	0	0	1,291,450	0	0	0	1,291,450
County Jail Project	0	0	0	0	9,492,642	0	9,492,642
Economic Development	0	0	0	0	0	114,829	114,829
Childrens Services Operations	0	0	0	0	0	630,119	630,119
Child Support Services	0	0	0	0	0	1,272,379	1,272,379
Capital Projects	0	0	0	0	0	220,299	220,299
Debt Service	0	0	0	0	0	118,561	118,561
Sheriff Operations	0	0	0	0	0	105,962	105,962
Other Purposes	0	0	0	0	0	129,442	129,442
Total Restricted	0	4,041,581	1,291,450	2,558,019	9,492,642	7,213,537	24,597,229
Committed to:							
Public Safety	117,206	0	0	0	0	0	117,206
Emergency Medical Services	0	0	0	0	0	230,220	230,220
Waste Management	0	0	0	0	0	45,823	45,823
Total Committed	117,206	0	0	0	0	276,043	393,249
Assigned to:							
Purchases on Order	9,329	0	0	0	0	0	9,329
Year 2023 Appropriations	2,444,349	0	0	0	0	0	2,444,349
Insurance Claims	127,615	0	0	0	0	0	127,615
Total Assigned	2,581,293	0	0	0	0	0	2,581,293
Unassigned (Deficit)	3,763,428	0	0	0	0	(3,502)	3,759,926
Total Fund Balances	$6,624,721	$4,522,675	$1,314,894	$2,580,014	$9,492,642	$7,529,166	$32,064,112

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

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

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

Cash with Fiscal Agent The County utilizes a fiscal agent to hold monies from the County Board of Developmental Disabilities supportive living program. The balances in these accounts are presented on the balance sheet as cash and cash equivalents with fiscal agent. As of December 31, 2022, the County is reporting $264,178 as cash with fiscal agents.

Cash on Hand At year end, the County had $92,114 in undeposited cash on hand which is included as a part of "Equity in Pooled Cash and Cash Equivalents".

NOTE 7 - RECEIVABLES

Receivables at December 31, 2022, consisted of property taxes, sales taxes, other local taxes, leases, special assessments, accrued interest, accounts (billings for user fees including unbilled utility services), intergovernmental receivables arising from entitlements and shared revenues, and interfund. All receivables, except property taxes and special assessments, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Leases Receivable

The County is reporting a lease receivable of $965,919 in the governmental funds at December 31, 2022. This amount represents the discounted future lease payments. This discount is being amortized using the interest method. For 2022, the County reported lease (rent) revenue of $81,217 and interest revenue of $52,356 in the governmental funds for these leases. A description of the County's leasing arrangement is as follows:

The County entered into a lease agreement with Hopewell Health for a five-year term beginning January 16, 2020 and ending January 16, 2025. Hopewell Health will remit monthly lease installments of $3,333 to the County for the term of the lease, which is eligible for two five-year terms.

The County entered into a lease agreement with Gallia Meigs Community Action for a twenty-year term beginning September 1, 2021 and ending November 30, 2040. Gallia Meigs Community Action will remit monthly lease installments of $4,066 to the County for the term of the lease, which is eligible for year-to-year renewal periods after the initial term.

The County entered into a lease agreement with TASC for a two-year term beginning January 1, 2022 and ending December 31, 2023. TASC will remit monthly lease installments of $1,732 to the County for the term of the lease. Options to renew of contingent upon the lessee receiving additional grant funding.

The County entered into a lease agreement with Sojourners for a two-year term beginning January 1, 2022 and ending December 31, 2023. Sojourners will remit monthly lease installments of $2,000 to the County for the term of the lease. Renewal terms are not present in the current lease agreement.

A summary of future payments to be received is as follows:

Fiscal Year Ending June 30,	Principal	Interest
2023	$85,277	$48,296
2024	44,760	44,032
2025	46,998	41,794
2026	49,347	39,445
2027	51,815	36,977
2028-2032	300,626	143,334
2033-2037	257,581	66,379
2038-2040	129,515	12,795
Total	$965,919	$433,052

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amounts
Gas Excise Tax	$1,803,572
Motor Vehicle License Tax	887,921
Ohio Department of Transportaion	57,150
Casino Tax	211,357
General Fund Reimbursements	220,201
Local Government	164,541
Miscellaneous	4,304
Job & Family Services Reimbursements	8,692
Court and Corrections	357,870
Board of Developmental Disabilities Reimbursements	446,839
Children Services	117,141
Emergency Management Performance Grant	17,230
Sheriff's Department Reimbursements	28,427
Child Support Enforcement	34,108
Community Housing Impact and Preservation Program	125,901
Total Governmental Activities	$4,485,254

NOTE 8 - TAXES

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes were levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2022, was $6.20 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

Real Property	$582,916,110
Public Utility Tangible Personal Property	275,836,390
Total Assessed Value	$858,752,500

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds. Property taxes receivable represent real and public utility taxes and outstanding delinquencies which were measurable as of December 31, 2022, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2022 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Permissive Sales and Use Tax

On November 17, 1981, the County Commissioners adopted, by resolution, a one-half percent tax on all retail sales made in the County and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. On March 5, 1987, the County Commissioners adopted, by resolution, a proposal for an additional one-half percent tax as allowed by Sections 5705.026 and 5705.023, Revised Code, which was approved by the voters at a special election held on May 5, 1987. On August 18, 1994, the County Commissioners adopted, by resolution, a proposal for an additional one-quarter of one percent tax for the implementation of a county-wide 9-1-1 system, as allowed by Sections 5739.026 and 5741.023 of the Revised Code, which was voted on and passed by the voters on November 8, 1994. The tax for the 9-1-1 system is approved for a period of five years. On March 1, 2019, the County Commissioners adopted, by resolution, a proposal for an additional one-quarter of one percent tax, as allowed by Sections 5739.026 and 5741.023 of the Revised Code.

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of the month. The Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

In 2022, the General Fund received $6,077,377 and the 9-1-1 Special Revenue Fund received $1,152,826 in sales and use tax revenue. A receivable is recognized at year end for amounts that will be received from sales which occurred during 2022.

NOTE 9 - CAPITAL ASSETS

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

	Restated Balance at 12/31/21	Additions	Deductions	Balance at 12/31/22
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$1,355,765	$0	$0	$1,355,765
Infrastructure	97,076,465	0	0	97,076,465
Construction in Progress	4,807,827	11,267,849	(313,161)	15,762,515
Total Capital Assets not being Depreciated	103,240,057	11,267,849	(313,161)	114,194,745
Depreciable Capital Assets:				
Land Improvements	207,921	0	0	207,921
Buildings and Improvements	17,885,569	719,368	(230,361)	18,374,576
Furniture, Fixtures, and Equipment	6,072,874	128,005	0	6,200,879
Vehicles	4,485,271	401,788	(142,611)	4,744,448
Total Depreciable Capital Assets	28,651,635	1,249,161	(372,972)	29,527,824
Less Accumulated Depreciation:				
Land Improvements	(131,386)	(5,814)	0	(137,200)
Buildings and Improvements	(8,111,024)	(967,638)	80,626	(8,998,036)
Furniture, Fixtures, and Equipment	(4,472,953)	(244,699)	0	(4,717,652)
Vehicles	(3,177,414)	(293,221)	132,710	(3,337,925)
Total Accumulated Depreciation	(15,892,777)	(1,511,372) *	213,336	(17,190,813)
Total Capital Assets being Depreciated, Net	12,758,858	(262,211)	(159,636)	12,337,011
Governmental Activities Capital Assets, Net	$115,998,915	$11,005,638	($472,797)	$126,531,756

The County reviewed its capital asset listing and determined that certain assets were miscategorized between equipment and vehicles. The County made certain reclassifications to beginning balances to correct these misclassifications. These changes had no effect on previously reported net position.

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	$653,552
Judicial	2,878
Public Safety	268,814
Public Works	191,106
Health	153,404
Human Services	133,147
Economic Development	108,471
Total Depreciation Expense	$1,511,372

	Balance at 12/31/21	Additions	Deductions	Balance at 12/31/22
Business-Type Activities:				
Capital Assets not being Depreciated:				
Construction in Progress	$11,472,731	$4,378,920	$0	$15,851,651
Total Capital Assets not being Depreciated	11,472,731	4,378,920	0	15,851,651
Depreciable Capital Assets:				
Infrastructure	12,843,735	0	0	12,843,735
Furniture, Fixtures, and Equipment	143,564	0	0	143,564
Vehicles	93,941	0	0	93,941
Total Capital Assets being Depreciated	13,081,240	0	0	13,081,240
Less Accumulated Depreciation:				
Infrastructure	(5,019,317)	(321,186)	0	(5,340,503)
Furniture, Fixtures, and Equipment	(69,543)	(5,579)	0	(75,122)
Vehicles	(72,555)	(8,956)	0	(81,511)
Total Accumulated Depreciation	(5,161,415)	(335,721)	0	(5,497,136)
Total Capital Assets being Depreciated, Net	7,919,825	(335,721)	0	7,584,104

The business-type activities of the County are the sewer operations at various subdivisions in the County.

NOTE 10 - RISK MANAGEMENT

Property and Liability

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the County contracted with the County Risk Sharing Authority, Inc. (CORSA), an insurance purchasing pool (see Note 21), for liability, auto, and crime insurance. CORSA, a non-profit corporation sponsored by the County Commissioners of Ohio, was created to provide affordable liability, property, casualty, and crime insurance coverage for its members and was established May 12, 1987. Coverage provided by the program and applicable deductibles are as follows:

Property	Deductible	Limits of Coverage
Real Property	$2,500	$99,808,794
General Liability	2,500	1,000,000 Per Occurrence
Law Enforcement	2,500	1,000,000 Per Occurrence
Equipment Breakdown	2,500	100,000,000
Employer's Liability (Stop Gap)	2,500	1,000,000 Per Occurrence
Electronic Equipment/Media Coverage:		
Electronic Media	2,500	250,000 Per Occurrence
Crime Coverage:		
Theft, Disappearance, Destruction	2,500	1,000,000 Per Occurrence
Employee Dishonesty	2,500	1,000,000 Per Occurrence
Forgery and Alteration	2,500	1,000,000 Per Occurrence
Computer Fraud	2,500	500,000 Per Occurrence
Automobile	2,500	1,000,000 Per Occurrence

Settled claims have not exceeded coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

Workers' Compensation

For 2022, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see Note 21). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating Counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to Counties that can meet the Plan's selection criteria. The firm of Gates McDonald, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

Medical Expense Reimbursement Plan

The County has a Medical Expense Reimbursement Plan, Max 105, to reimburse eligible employees (those that are participating in the County's health plan) for the portion of their and their dependent's health claims. The Max 105 program is a combination of benefits that are provided by the County and CEBCO - Anthem. The County's health plan with CEBCO - Anthem covers the employees' major medical costs. The policy is a high deductible plan. The Max 105 program covers the difference between the high deductible plan with CEBCO - Anthem and the employees' personal deductible.

The purpose of the Max 105 program is to reimburse providers for employees covered under the Max 105 program for a portion of the uninsured medical expenses they incur each year while they are employed with the County and the Max 105 remains in effect. It is to help the employee and their dependents receive the medical care needed in the most cost-effective manner possible.

The claims paid are those submitted after the employee's deductible amount has been reached, but before the employer's health plan deductible with CEBCO - Anthem has been reached. Claims covered are for amounts applied to the medical deductible and co-insurance expenses incurred during the plan year, up to the employer's health plan annual deductible amount with CEBCO - Anthem.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset)/Net OPEB Asset

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability (asset)on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description – County employees, other than certified teachers and other faculty members, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

Participating employers are divided into state, local, law enforcement, and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions only exist within the traditional plan.

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

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

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

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

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

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

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

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

	State and Local	Law Enforcement
Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee*	10.0 %	**
Actual Contribution Rates		
Employer:		
Pension***	14.0 %	18.1 %
Post-Employment Health Care Benefits***	0.0	0.0
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

*Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
**This rate is determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the public safety rate.
***These pension and employer health care rates are for the traditional and combined plans. The employer

contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contributions for 2022 was $1,645,657 for the traditional plan and $34,179 for the combined plan.

State Teachers Retirement System (STRS)

Plan Description – County licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at http://www.strsoh.org.

New members have a choice of three retirement plans; a defined benefit (DB) plan, a defined contribution (DC) Plan and a combined plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation was 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit at any age.

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

The DC plan allows members to place all their member contributions and 9.53% of the 14.0% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14.0% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The CO plan offers features of both the DB plan and the DC plan. In the CO plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB plan. Member contributions to the DC plan are allocated among investment choices by the member, and contributions to the DB plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB plan. The defined benefit portion of the CO plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2022 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2022, the full employer contribution was allocated to pension.

The County's contractually required pension contributions to STRS were $78,851 for 2022.

Pension Liabilities (Assets), Pension Expense (Gain), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2021, and the net pension liability for STRS was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the respective measurement dates. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense (gain):

	OPERS			
	Traditional	Combined	STRS	Total
Proportionate Share of the Net Pension Liability (Asset):				
Current Measurement Date	0.07792848%	0.0699510%	0.00413676%	
Prior Measurement Date	0.07611325%	0.0766768%	0.00455398%	
Change in Proportionate Share	0.00181523%	-0.0067258%	-0.00041722%	
Proportionate Share of the:				
Net Pension Liability	$6,780,093	$0	$919,607	$7,699,700
Net Pension Asset	0	(275,610)	0	(275,610)
Pension Expense (Gain)	(819,741)	(11,437)	65,864	(765,314)

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

	OPERS Traditional	OPERS Combined	STRS	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$345,639	$1,710	$11,772	$359,121
Net difference between projected and actual earnings on pension plan investments	0	0	32,000	32,000
Changes of assumptions	847,844	13,850	110,050	971,744
Changes in proportion and differences between County's contributions and proportionate share of contributions	259,688	14,442	52,069	326,199
County contributions subsequent to the measurement date	1,645,657	34,179	44,195	1,724,031
Total Deferred Outflows of Resources	$3,098,828	$64,181	$250,086	$3,413,095
Deferred Inflows of Resources				
Differences between expected and actual experience	$148,707	$30,825	$3,517	$183,049
Net difference between projected and actual earnings on pension plan investments	8,064,673	59,088	0	8,123,761
Changes of assumptions	0	0	82,835	82,835
Changes in proportion and differences between County contributions and proportionate share of contributions	110,804	9,044	62,174	182,022
Total Deferred Inflows of Resources	$8,324,184	$98,957	$148,526	$8,571,667

$1,724,031 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or an increase to the net pension asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional	OPERS Combined	STRS	Total
Year Ending December 31:				
2023	($952,898)	($17,714)	$11,066	($959,546)
2024	(2,738,877)	(24,647)	(5,940)	(2,769,464)
2025	(1,896,329)	(16,028)	(41,028)	(1,953,385)
2026	(1,282,909)	(11,746)	93,267	(1,201,388)
2027	0	(1,236)	0	(1,236)
Thereafter	0	2,416	0	2,416
Total	($6,871,013)	($68,955)	$57,365	($6,882,603)

Actuarial Assumptions - OPERS

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

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

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	0.5 percent, simple through 2021, then 2.15 percent, simple	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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

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

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

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

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

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

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

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
County's proportionate share of the net pension liability (asset)			
Traditional	$17,876,014	$6,780,093	($2,453,189)
Combined	($205,656)	($275,610)	($330,169)

Actuarial Assumptions – STRS

All disclosures related to the actuarial assumptions relate to the amounts used for the net pension liability for STRS which was measured as of June 30, 2022.

Key methods and assumptions used in the June 30, 2022 actuarial valuation compared to those used in the June 30, 2021 actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.5% to 8.5%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll Increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00% effective July 1, 2017	0.00% effective July 1, 2017

For 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021. Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June

30, 2015.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	26.00%	6.60%
International Equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed Income	22.00%	1.75%
Real Estate	10.00%	5.75%
Liquidity Reserves	1.00%	1.00%
Total	100.00%	

*10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate – The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	$1,389,191	$919,607	$522,484

NOTE 12 - POSTEMPLOYMENT BENEFITS

See Note 11 for a description of the net OPEB asset.

Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required OPEB contribution was $0 for 2022.

State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing health plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. The plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the health care plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For 2022, STRS did not allocate any employer contributions to postemployment health care.

OPEB Assets, OPEB Expense (Gain), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The net OPEB asset for STRS was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an independent actuarial valuation as of that date. The County's proportion of the net OPEB asset was based on the County'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 and OPEB expense (gain):

	OPERS	STRS	Total
Proportionate Share of the Net OPEB Asset:			
Current Measurement Date	0.07542612%	0.00413676%	
Prior Measurement Date	0.07412935%	0.00455398%	
Change in Proportionate Share	0.00129677%	-0.00041722%	
Proportionate Share of the:			
Net OPEB Asset	($2,362,462)	($107,114)	($2,469,576)
OPEB Expense (Gain)	(1,952,940)	(20,497)	(1,973,437)

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

	OPERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$0	$1,553	$1,553
Net difference between projected and actual earnings on OPEB plan investments	0	1,865	1,865
Changes of assumptions	0	4,562	4,562
Changes in proportion and differences between County's contributions and proportionate share of contributions	35,252	1,595	36,847
Total Deferred Outflows of Resources	$35,252	$9,575	$44,827
Deferred Inflows of Resources			
Differences between expected and actual experience	$358,353	$16,087	$374,440
Net difference between projected and actual earnings on OPEB plan investments	1,126,255	0	1,126,255
Changes of assumptions	956,298	75,954	1,032,252
Changes in proportion and differences between County contributions and proportionate share of contributions	14,673	3,180	17,853
Total Deferred Inflows of Resources	$2,455,579	$95,221	$2,550,800

No amounts reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	STRS	Total
Year Ending December 31:			
2023	($1,488,460)	($25,761)	($1,514,221)
2024	(524,033)	(25,388)	(549,421)
2025	(246,082)	(11,053)	(257,135)
2026	(161,752)	(4,650)	(166,402)
2027	0	(6,208)	(6,208)
Thereafter	0	(12,586)	(12,586)
Total	($2,420,327)	($85,646)	($2,505,973)

Actuarial Assumptions – OPERS

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

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

Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate:	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial	8.50 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	3.25 percent

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all 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 these tables.

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

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

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

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

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

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
County's proportionate share of the net OPEB asset	($1,389,349)	($2,362,462)	($3,170,160)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.5 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	($2,387,991)	($2,362,462)	($2,332,176)

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022 actuarial valuation and the June 30, 2021 actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5% to 8.5%	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent	3.00 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends:		
Medical		
Pre-Medicare	7.50 percent initial, 3.94 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-68.78 percent initial, 3.94 percent ultimate	-16.18 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial, 3.94 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	-5.47 percent initial, 3.94 percent ultimate	29.98 percent initial, 4 percent ultimate

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

For 2022, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, for healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.
Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study for the period July 1, 2015 through June 30, 2021. Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2015.

The non-Medicare subsidy percentage was increased effective January 1, 2023 from 2.1% to 2.2%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2023. The Medicare Part B monthly reimbursement was increased from $29.90 to $30 and all retirees and surviving spouses are now eligible for the Part B premium reimbursement.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	26.00%	6.60%
International Equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed Income	22.00%	1.75%
Real Estate	10.00%	5.75%
Liquidity Reserves	1.00%	1.00%
Total	100.00%	

*10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate – The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2022.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate – The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB asset	($99,025)	($107,114)	($114,044)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	($111,104)	($107,114)	($102,079)

NOTE 13 - OTHER EMPLOYER BENEFITS

Deferred Compensation Plan

Gallia County employees and elected officials may participate in a state-wide deferred compensation plan created in accordance with Internal Revenue Code Section 457 offered by the State of Ohio. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Compensated Absences

County employees follow various personnel policies as established by the County Commissioners, union agreements, or departmental mandates. Some employees of the Board of Developmental Disabilities, Engineer, Sheriff, Emergency Management Services, and Job and Family Services are represented by union agreements. All other County employees follow the Commissioners policy.

Each employee accrues at least 4.6 hours of sick time for each two week pay period worked. Accrual continues during periods of approved paid leave. Unused sick leave is cumulative without limit. Upon retirement, with 10 or more years of service with the County, the State, or any of its political subdivisions, all employees except those of the Board of Developmental Disabilities, Engineer, Sheriff, 911, and the Emergency Management Services, are paid 25% of their sick leave up to a maximum of 360 hours. The Board of Developmental Disabilities employees are paid at varying rates of 30% to 50% of all accumulated sick leave depending upon length of service with the Gallia County Board of Developmental Disabilities. The Engineer department employees hired before August 1, 2016, are paid for accumulated sick leave at a rate of 100% up to 30 days, 50% up to 75 days, and 25% for all remaining unused sick leave above 75 days. The Engineer department employees hired after August 1, 2016, are paid for accumulated sick leave at a rate of 80% up to 240 hours. Sheriff department employees are paid 100% for all accumulated sick leave to a maximum of 240 hours. Emergency Management Services employees are paid 25% of their sick leave up to a maximum of 600 hours if hired before 2017. Emergency Management Services employees hired after 2017 are paid 25% of their sick leave up to a maximum of 360 hours. 911 employees are paid 25% of their sick leave or 30 days, whichever is less.

Unused vacation time and compensatory time are paid to a terminated employee at varying rates depending on length of service and department policy and can be accumulated up to one year.

Insurance Benefits

In 2022, the County contracted with United Healthcare to provide all employees with $25,000 each in life and accidental death and dismemberment insurance.

The County provides comprehensive major medical and dental insurance through CEBCO - Anthem and vision insurance through VSP for all employees except those of the Engineer's office. Monthly premiums are $1,088.94 for single coverage and $2,850.88 for family coverage. The County pays $953.76 of the premiums for single plans and the County's employees pay the remaining balances. The County pays $2,424.38 of the premiums for employees participating in the family plan with the remainder being paid by the employee. For the Engineer's office, the County pays $936.49 for single coverage and the employee pays the remaining balance. For family coverage the County pays $2,451.76 and the Engineer employees pay the remaining balance.

NOTE 14 - SIGNIFICANT COMMITMENTS

Contractual Commitments

As of December 31, 2022, the County had contractual purchase commitments as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 12/31/2022
Governmental Activities:				
Gallia County Jail Project	Jail Project Capital Improvement	$19,665,039	$15,318,887	$4,346,152
Business-Type Activities:				
Green Sewer Improvements	Sewer	17,077,394	14,983,089	2,094,305
Total Contractual Commitments		$36,742,433	$30,301,976	$6,440,457

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental Funds:	
General Fund	$54,211
Board of Developmental Disabilities	114,000
Nonmajor Governmental Funds	15,386
Total	$183,597

NOTE 15 - FOOD STAMPS

The County's Department of Job and Family Services distributes, through contracting issuance centers, federal food stamps to entitled recipients within Gallia County. The receipt and issuance of the stamps have the characteristics of a federal grant. However, the Department of Job and Family Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements, as the only economic interest related to these stamps rests with the ultimate recipient.

NOTE 16 - INTERFUND TRANSFERS AND BALANCES

Interfund transfers for the year ended December 31, 2022, consisted of the following:

	Transfers In	Transfers Out
Major Governmental Funds		
General Fund	$0	$1,642,277
Motor Vehicle Gasoline Tax Fund	0	157,463
Job and Family Services Fund	427,794	0
Board of Developmental Disabilities	0	126,983
Other Governmental Funds		
Airport Fund	205,270	0
Bond Retirement Fund	1,159,436	0
Dog and Kennel Fund	70,000	0
Emergency Medical Services Fund	462,500	0
ODOT Transportation Grant Fund	75,000	0
CDBG Fund	0	532,270
Sheriff Fund	1,589	0
Emergency Management Fund	57,404	0
Total Other Governmental Funds	2,031,199	532,270
Total All Funds	$2,458,993	$2,458,993

Transfers were used to move revenues from the fund that Statute or budget requires to collect them to the fund that Statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund balances, as of December 31, 2022, consist of the following individual interfund receivables and payables:

	Interfund Receivable	Interfund Payable
Major Governmental Funds		
General Fund	$1,512,950	$0
Job and Family Services Fund	1,301	0
Jail Capital Improvements	0	1,000,000
Other Governmental Funds		
Bond Retirement Fund	0	1,252
Children Services	0	1,301
Court and Corrections Fund	0	7,111
CDBG Fund	0	125,901
County CARES Act Fund	0	31
Sheriff Fund	0	1,654
Total Other Governmental Funds	0	137,250
Major Enterprise Fund		
Sewer	0	377,001
Total All Funds	$1,514,251	$1,514,251

The interfund payable in the Sewer Enterprise Fund is a result of the General Fund making sewer related expenditures. These items are expected to be repaid upon completion of the related projects and generation of revenues by the system. The remaining interfund receivables/payables are due to lags between the dates interfund goods and services are provided, transactions were recorded in the accounting system, and payments between funds were made. Remaining interfund receivables/payables will be reimbursed either when funds become available or when payments for services are rendered.

NOTE 17 - CONTINGENT LIABILITIES

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

Several claims and lawsuits are pending against the County. In the opinion of the County Prosecutor, any potential liability would not have a material effect on the County's financial condition.

NOTE 18 – FINANCED PURCHASES

In prior years, the County entered into agreements for an excavator; graders; trucks and equipment; and six vehicles for the Sheriff's office. Upon final payment of all scheduled payments, ownership reverts to the County. These agreement meet the criteria of a financed purchase which is defined as a financed purchase which transfers ownership to the lessee. Financed purchase payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. Financed purchase payments are reflected as debt service expenditures in the motor vehicle gas tax fund and the debt service fund.

Principal and interest requirements to retire the financed purchase agreements as of December 31, 2022, are as follows:

	Governmental Activities	
Year	Principal	Interest
2023	$284,134	$17,183
2024	231,938	11,005
2025	43,228	6,387
2026	44,743	4,872
2027	46,311	3,303
2028	47,936	1,680
Total	$698,290	$44,430

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

Solid Waste Management District

The County is a member of the Gallia, Jackson, Meigs and Vinton Solid Waste Management District (the District), which a jointly governed organization of the four named counties. The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and land filling.

The District is governed and operated through three groups. A twelve member Board of Directors, comprised of the three commissioners from each county, is responsible for the District's financial matters. Financial records are maintained by the District. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. A twenty-five member Policy Committee, comprised of six members from each county and one at-large member appointed by the Policy Committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the Policy Committee. Each participating County's influence is limited to the numbers of members each appoints to the Board. Continued existence of the District is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding. The County made no contributions to the District in 2022.

Gallia-Jackson-Meigs Counties Board of Alcohol, Drug Addition, and Mental Health Services

The Gallia, Jackson, and Meigs Counties Alcohol, Drug Addiction, and Mental Health Services Board (ADAMH), is a jointly governed organization of the three named counties. The ADAMH provides no direct services but contracts for their delivery. The ADAMH's function is to assess needs, and to plan, monitor, fund and evaluate the services. The ADAMH is managed by an eighteen member Board. The Board is comprised of five members appointed by the Jackson County Commissioners, two by the Gallia County Commissioners, and three by the Meigs County Commissioners, which are proportionate to population, four by the Ohio Department of Drug and Alcohol, and four by the State Department of Mental Health. Each participating county's influence is limited to the number of members each appoints to the Board. The Board exercises total control of the budgeting, appropriating, contracting and managing.

All of the Board's revenue is derived from State and Federal grants awarded to the multi-county Board. Gallia County serves as fiscal agent for the Board and it is presented as an Agency Fund. Continued existence of the ADAMH is not dependent upon the County's continued participation, no debt exists, and the County does not have an equity interest in the Board. During 2022, the County made no payments to the Board.

Area Agency on Aging, District 7, Inc.

The Area Agency on Aging is a regional council of governments that assists ten counties, including Gallia County, in providing services to senior citizens in the Council's service area. The Council is governed by a eight member Board of Trustees. The Gallia County Commissioners along with other county organizations can nominate new board members, but they must be representatives of local community service organizations. At least one-half of the board members must be over the age of fifty-five. The Board has total control over budgeting, personnel, and all other financial matters. The continued existence of the Council is not dependent upon the County's continued participation and no equity interest exists. The Council has no outstanding debt.

Ohio Valley Resource Conservation and Development Area, Inc.

The Ohio Valley Resource Conservation and Development Area, Inc. is a jointly governed organization that is operated as a non-profit corporation. The Ohio Valley Resource Conservations and Development Area, Inc. was created to aid regional planning to participating counties. Jackson County, along with Ross, Vinton, Highland, Gallia, Brown, Adams, Pike, Scioto, and Lawrence Counties each appoint three members to the thirty member Council. The Council selects an administrator to oversee operations. In 2022, the County made no contributions to the Ohio Valley Resource Conservation and Development Area, Inc.

Gallia-Meigs Community Action Agency

The Gallia-Meigs Community Action Agency (the Agency) is a non-profit corporation organized to plan, conduct and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Gallia and Meigs Counties. The agency is governed by an eighteen member board which consists of three commissioners from each county, three business owners from each county, and three low income individuals elected by each county. The three business owners are nominated by other local business owners and the three low income individuals are nominated by local town council meetings. The Agency received federal and state monies which are applied for and received by, and in the name of, the Board of Directors. The Gallia County Commissioners apply for the Community Housing Improvement Program Grant and the HOME Grant which are administered implemented by the Agency. The County is the fiscal agent for the grant, but the grants are used by the Agency to improve low income family housing in Gallia County. The Agency contracts for expenses that relate to the grants and then the County Commissioners issue the payments. The Board of County Commissioners exercises total control of the budgeting, appropriation, contracting and management. Continued existence of the Agency is not dependent upon the County's continued participation, nor does the County have an equity interest in the Agency. The Agency is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. In 2022, the County paid $140,479 to the Agency for services provided to the County.

Gallia-Jackson Child Abuse and Neglect Advisory Board

The Child Abuse and Neglect Advisory Board (the Board) is a jointly governed organization formed to prevent child abuse and neglect in its members counties. The Board is controlled by a five member Board of Directors. Gallia and Jackson County each appoints two members and there is one at-large member. The at-large member is currently the Gallia, Jackson, and Meigs Counties Alcohol, Drug Addiction, and Mental Health Services Board director. The Board Organization receives $20,000 a year from the State for birth registration fees, of which $19,400 is sent directly to the Ohio Children's Trust Fund Board. The Gallia, Jackson, and Meigs Counties Alcohol, Drug Addiction, and Mental Health Services Board received the remaining $600 for administrative services. Continued existence of the Board is not dependent upon the County's continued participation, nor does the County have an equity interest in the Board. The Board is not accumulating significant financial resources nor is it experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. The Board currently does not prepare year end financial statements due to the limited amount of financial activity.

Ohio Valley Regional Development Commission

The Ohio Valley Regional Development Commission (the Commission) is a jointly governed organization that serves a twelve county economic development planning district in southern Ohio. The Commission was formed to influence favorably the future economic, physical and social development of Adams, Brown, Clermont, Fayette, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, and Vinton Counties. Membership is comprised of elected and appointed county, municipal, and township officials or their officially appointed designees, as well as members of the private sector, community action agencies and regional planning commissions. The Commission is not dependent upon Gallia County for its continued existence. In 2022, the County paid $5,681 to the Ohio Valley Regional Development Commission for membership.

Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments (the "Council), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member board with each participating County represented by its Director of its Board of Developmental Disabilities (BDD). Member counties include: Adams, Athens, Brown, Fayette, Gallia, Highland, Jackson, Lawrence, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Gallia County BDD's supportive living program monies. As of December 31, 2022, the County had a $264,178 balance on hand with the Council. These monies are recorded as "Cash and Cash Equivalents with Fiscal Agents" on the County's financial statements. Financial statements can be obtained from the Council at 43 N. Paint St., Chillicothe, Ohio 45601.

Regional Child Abuse Prevention Council

The Regional Child Abuse Prevention Council of the Ohio Children's Trust Fund is a jointly governed organization whereby up to two County Prevention Specialists may be appointed by the Gallia County Commissioners to sit on the council. Currently, Gallia County has one appointee. The Regional Child Abuse Prevention Council is the state's sole public funding source dedicated to preventing child abuse and neglect. Each regional council is directed by a regional prevention coordinator or coordinating entity and led by county prevention specialists. The continued existence of the Regional Child Abuse Prevention Council is not dependent upon the County's continued participation and no equity interest or debt exists.

NOTE 20 - RELATED ORGANIZATIONS

O.O. McIntyre Park District

The County Probate Judge is responsible for appointing the three-member board of the O.O. McIntyre Park District. Removal of the members requires due process. The County has no ability to impose its will on the organization nor is a benefit/burden relationship exist. The Park District has a one-half mill property tax that is collected by Gallia County and then transferred into the Park District Agency Fund. In addition, the Park District receives one percent of the County's share of Undivided Local Government Revenue Assistance and State income taxes. These items totaled $1,875 in 2022. The Park District is its own budgeting and taxing authority and has no outstanding debt. The County Auditor serves as the fiscal agent for the Park District; therefore, the financial activity is reflected in the Park District Custodial Fund.

Bossard Memorial Library

The Bossard Memorial Library is statutorily created as a separate and distinct political subdivision of the State. Four trustees of the Library are appointed by the County Commissioners, and three trustees are appointed by the judges of the Common Pleas Court. Due process is required to remove board members. The Library has a 1.3 mill property tax that is collected by Gallia County and then transferred into the Library District Agency Fund. Although the County collects and distributes the tax, this function is strictly ministerial and the County provides no contributions of its own. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend upon the County for operational subsidies.

Gallia Metropolitan Housing Authority

The Gallia Metropolitan Housing Authority is a nonprofit organization established to provide adequate public housing for low income individuals and was created pursuant to State Statutes. The Authority is operated by a five member board. Two board members are appointed by the City of Gallipolis, one member is appointed by the Probate Court Judge, one member is appointed by the Common Pleas Court Judge, and one member is appointed by the County Commissioners. The Authority receives funding from the U.S. Department of Housing and Urban Development. The Board sets its own budget and selects its own management, and the County is not involved in its management or operation. The County is not financially accountable for the Authority.

NOTE 21 - SHARED RISK POOLS

County Risk Sharing Authority, Inc. (CORSA)

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among fifty-five counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in or a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not reasonably determinable. The County's payment for insurance to CORSA in 2022 was $199,587.

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at the meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year an each elected member shall be a County Commissioner.

NOTE 22 - LONG-TERM OBLIGATIONS

Changes in the County's long-term obligations during the year consisted of the following:

	Principal Outstanding 12/31/21	Additions	Deductions	Principal Outstanding 12/31/22	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds					
Direct Placements:					
2020 Jail Improvement, Series 2020A:					
Serial Bonds - 3.00-4.00%	$1,005,000	$0	$115,000	$890,000	$115,000
Term Bonds - 2.125-3.000%	6,580,000	0	0	6,580,000	0
Premium on Bonds	255,180	0	12,759	242,421	0
2020 Jail Improvement, Series 2020B:					
Serial Bonds - 3.00-4.00%	1,030,000	0	90,000	940,000	100,000
Term Bonds - 2.000-3.000%	3,800,000	0	0	3,800,000	0
Premium on Bonds	223,301	0	11,165	212,136	0
County Jail Improvement Bonds, Series 2021					
Serial Bonds - 3.00-4.00%	735,000	0	65,000	670,000	65,000
Term Bonds - 2.000-3.000%	6,215,000	0	0	6,215,000	0
Premium on Bonds	206,859	0	5,171	201,688	0
Direct Borrowings:					
2020 Workshop Renovation - 3.00%	675,000	0	30,000	645,000	25,000
Various Purpose Refunding Bonds Series 2021					
County Building - Term Bonds 4.450%	1,000,000	0	59,000	941,000	60,000
Parking Lot - Term Bonds - 4.500%	99,000	0	9,000	90,000	9,000
County Building - Term Bonds 3.375%	561,000	0	33,000	528,000	34,000
Total General Obligation Bonds	22,385,340	0	430,095	21,955,245	408,000
OPWC Loans					
From Direct Borrowings:					
2013 OPWC Road Improvements Loan - 0.00%	11,336	0	11,336	0	0
2015 OPWC Road Improvements Loan - 0.00%	59,259	0	2,324	56,935	1,162
2019 OPWC Road Improvements Loan - 0.00%	31,051	0	1,724	29,327	862
Total OPWC Loans From Direct Borrowings	101,646	0	15,384	86,262	2,024
Net Pension Liability:					
OPERS	11,270,715	0	4,490,622	6,780,093	0
STRS	582,267	337,340	0	919,607	0
Total Net Pension Liability	11,852,982	337,340	4,490,622	7,699,700	0
Financed Purchases	976,393	0	278,103	698,290	282,768
Compensated Absences	401,916	9,347	45,436	365,827	0
Total Governmental Activities	$35,718,277	$346,687	$5,259,640	$30,805,324	$692,792

	Principal Outstanding 12/31/21	Additions	Deductions	Principal Outstanding 12/31/22	Amounts Due in One Year
Business-Type Activities:					
OWDA Loans					
From Direct Borrowings					
2009 Kanauga/Addison Sewer - 0.00%	$171,000	$0	$9,000	$162,000	$18,000
2009 Mercerville Sewer - 0.00%	98,593	0	5,800	92,793	11,599
2011 Kanauga/Addison Sewer - 1.00%	373,174	0	7,801	365,373	15,719
2015 Green Sewer - 3.15%	1,397,283	0	18,056	1,379,227	36,969
2022 HSTS #9795 - 0.00%	0	706	706	0	0
2022 HSTS #9272 - 0.00%	0	124,799	124,799	0	0
2022 OWDA #9610 - 0.00%	0	1,156,148	0	1,156,148	49,473
2022 OWDA #9608 - 0.00%	0	145,017	0	145,017	6,206
2022 OWDA #9609 - 0.00%	0	1,673,039	0	1,673,039	26,933
Total OWDA Loans From Direct Borrowings	2,040,050	3,099,709	166,162	4,973,597	164,899
Revenue Bonds					
From Direct Placements					
2000 USDA Sewer Revenue Bonds - 4.50%	1,331,200	0	1,331,200	0	0
2013 USDA Sewer Revenue Bonds - 3.125%	1,691,900	0	1,691,900	0	0
2015 USDA Sewer Revenue Bonds - 2.000%	2,862,100	0	59,600	2,802,500	60,700
2021 USDA Sewer Revenue Bonds - 1.375%	2,500,000	0	0	2,500,000	48,900
Total Revenue Bonds From Direct Placements	8,385,200	0	3,082,700	5,302,500	109,600
OPWC Loans					
From Direct Borrowings					
2002 OPWC Bidwell Porter Sewer - 0.00%	11,500	0	11,500	0	0
2008 OPWC Kanauga/Addison Sewer - 0.00%	243,749	0	10,833	232,916	5,416
2014 OPWC Green Sewer - 0.00%	530,000	0	20,000	510,000	10,000
2021 OPWC Green Sewer - 0.00%	313,632	144,118	0	457,750	0
Total OPWC Loans From Direct Borrowings	1,098,881	144,118	42,333	1,200,666	15,416
Compensated Absences	8,641	1,725	0	10,366	0
Asset Retirement Obligations	580,000	0	0	580,000	0
Total Business-Type Activities	$12,112,772	$3,245,552	$3,291,195	$12,067,129	$289,915

<u>*Governmental Activities*</u>

In December 2020, the County issued Jail Improvement Bonds, Series 2020A, consisting of $1,220,000 in serial bonds and $6,580,000 in term bonds to provide funding for a new jail. The bonds were sold at a premium of $255,180 and will be amortized over the term of the bonds. The bonds are insured, and the cost of the bond insurance is reported as

Unamortized Bond Insurance Premiums and will be amortized over the life of the bonds.

The Bonds maturing, and any mandatory sinking fund redemption payments due, on and after December 1, 2031, are subject to optional redemption, in whole or in part, at the option of the County, in any order of maturity, in integral multiples of $5,000 and by lot within a maturity, on any date, commencing December 1, 2030 at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

The Bonds due December 1, 2033, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2031, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2031		$145,000
2032		150,000
2033	*	155,000

* Maturity

The Bonds due December 1, 2036, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2034, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2034		$160,000
2035		165,000
2036	*	170,000

* Maturity

The Bonds due December 1, 2040, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2037, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2037		$175,000
2038		180,000
2039		185,000
2040	*	185,000

* Maturity

The Bonds due December 1, 2045, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2041, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2041		$190,000
2042		195,000
2043		200,000
2044		205,000
2045	*	210,000

* Maturity

The Bonds due December 1, 2050, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2046, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2046		$215,000
2047		220,000
2048		225,000
2049		230,000
2050	*	235,000

* Maturity

The Bonds due December 1, 2060, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2051, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2051		$245,000
2052		250,000
2053		260,000
2054		265,000
2055		275,000
2056		280,000
2057		290,000
2058		300,000
2059		305,000
2060	*	315,000

* Maturity

The Bonds will be retired by transfers from the general fund to the bond retirement fund. Principal and interest requirements to retire the Jail Improvement Bonds, Series 2020A outstanding as of December 31, 2022, are as follows:

Year Ended December 31,	Principal	Interest
2023	$115,000	$211,481
2024	115,000	208,032
2025	100,000	204,581
2026	100,000	201,582
2027	105,000	197,581
2028-2032	650,000	920,555
2033-2037	825,000	803,655
2038-2042	935,000	696,095
2043-2047	1,050,000	582,450
2048-2052	1,185,000	445,150
2053-2057	1,370,000	263,550
2058-2060	920,000	55,651
	$7,470,000	$4,790,363

In December 2020, the County issued Jail Improvement Bonds, Series 2020B, consisting of $1,200,000 in serial bonds and $3,800,000 in term bonds to pay off the note which had been issued to provide funding for a new jail. The bonds were sold at a premium of $223,301 and will be amortized over the term of the bonds. The bonds are insured, and the cost of the bond insurance is reported as Unamortized Bond Insurance Premiums and will be amortized over the life of the bonds.

The Bonds maturing, and any mandatory sinking fund redemption payments due, on and after December 1, 2031, are subject to optional redemption, in whole or in part, at the option of the County, in any order of maturity, in integral multiples of $5,000 and by lot within a maturity, on any date, commencing December 1, 2030 at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

The Bonds due December 1, 2035, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2031, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2031		$85,000
2032		90,000
2033		90,000
2034		95,000
2035	*	95,000

* Maturity

The Bonds due December 1, 2040, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2036, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2036		$100,000
2037		100,000
2038		105,000
2039		105,000
2040	*	110,000

* Maturity

The Bonds due December 1, 2050, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2041, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2041		$110,000
2042		115,000
2043		115,000
2044		120,000
2045		120,000
2046		125,000
2047		125,000
2048		130,000
2049		135,000
2050	*	135,000

* Maturity

The Bonds due December 1, 2060, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2051, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2051		$140,000
2052		145,000
2053		150,000
2054		155,000
2055		155,000
2056		160,000
2057		165,000
2058		170,000
2059		175,000
2060	*	180,000

* Maturity

The Bonds will be retired by transfers from the general fund to the bond retirement fund. Principal and interest requirements to retire the Jail Improvement Bonds, Series 2020B outstanding as of December 31, 2022, are as follows:

Year Ended December 31,	Principal	Interest
2023	$100,000	$132,913
2024	105,000	129,913
2025	125,000	126,762
2026	130,000	123,013
2027	120,000	119,113
2028-2032	535,000	531,615
2033-2037	480,000	452,265
2038-2042	545,000	395,602
2043-2047	605,000	330,452
2048-2052	685,000	254,169
2053-2057	785,000	150,450
2058-2060	525,000	31,790
	$4,740,000	$2,778,057

In July 2020, the County issued General Obligation Bonds in the amount of $700,000 at 3.00 percent interest for the purpose of renovating the County Board of Developmental Disabilities GALLCO Workshop facility to be leased to a third party. Principal and interest payments are due December 1 of each year through 2040. The bonds will be retired from payments received from the lease of the facility. Principal and interest requirements to retire the Workshop Renovation General Obligation Bonds as of December 31, 2022, are as follows:

Year Ended December 31,	Principal	Interest
2023	$25,000	$19,169
2024	30,000	18,910
2025	30,000	17,946
2026	30,000	17,033
2027	30,000	16,121
2028-2032	170,000	66,077
2033-2037	195,000	38,648
2038-2040	135,000	8,215
	$645,000	$202,119

In December 2021, the County issued County Jail Improvement Bonds Series 2021, consisting of $940,000 in serial bonds and $6,215,000 in term bonds to provide funding for a new jail. The bonds were sold at a premium of $206,859 and will be amortized over the term of the bonds. The bonds are insured, and the cost of the bond insurance is reported as Unamortized Bond Insurance Premiums and will be amortized over the life of the bonds.

The Bonds maturing, and any mandatory sinking fund redemption payments due, on and after December 1, 2031, are subject to optional redemption, in whole or in part, at the option of the County, in any order of maturity, in integral multiples of $5,000 and by lot within a maturity, on any date, commencing December 1, 2030 at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

The Bonds due December 1, 2032, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2031, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2031		$140,000
2032	*	140,000

* Maturity

The Bonds due December 1, 2035, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2033, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2033		$145,000
2034		145,000
2035	*	155,000

* Maturity

The Bonds due December 1, 2038 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2036 and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2036		$155,000
2037		165,000
2038	*	165,000

* Maturity

The Bonds due December 1, 2041, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2039, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2039		$170,000
2040		175,000
2041	*	180,000

* Maturity

The Bonds due December 1, 2051, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2042, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2042		$185,000
2043		190,000
2044		195,000
2045		200,000
2046		205,000
2047		215,000
2048		215,000
2049		220,000
2050		230,000
2051	*	230,000

* Maturity

The Bonds due December 1, 2060, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2052, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2052		$235,000
2053		240,000
2054		250,000
2055		260,000
2056		270,000
2057		275,000
2058		280,000
2059		290,000
2060	*	295,000

* Maturity

Principal and interest requirements to retire the County Jail Improvement Bonds Series 2021, outstanding as of December 31, 2022, are as follows:

Year Ended December 31,	Principal	Interest
2023	$65,000	$192,544
2024	65,000	190,594
2025	70,000	188,644
2026	75,000	185,844
2027	90,000	182,844
2028-2032	585,000	856,220
2033-2037	765,000	748,820
2038-2042	875,000	627,470
2043-2047	1,005,000	503,095
2048-2052	1,130,000	370,970
2053-2057	1,295,000	217,876
2058-2060	865,000	45,806
	$6,885,000	$4,310,727

During 2021, the County issued $1,660,000 in various purpose refunding bonds with interest rates ranging from 3.375 to 4.5 percent. The Bonds were issued to partially refund the Series 2006 Early Childhood and Family Center, Series 2011 Davis Lot Land, and Series 2012 JFS Building bonds. Prior to issuance principal payments of $45,449, $7,579, and $25,300 were paid on the Series 2006 Early Childhood and Family Center, Series 2011 Davis Lot Land, and Series 2012 JFS Building bonds respectively. The proceeds were used to advance refund $982,962 of outstanding Series 2006 Early Childhood and Family Center general obligation bonds which had interest rate of 4.45 percent, $97,327 of outstanding Series 2011Davis Lot Land general obligation bonds which had interest rate of 4.5 percent, and $543,700 of outstanding Series 2012 JFS Building general obligation bonds which had interest rate of 3.375 percent. The net proceeds of $1,660,000 (after payment of $31,826 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, $1,623,989 of the Series 2006 Early Childhood and Family Center, Series 2011 Davis Lot Land, and Series 2012 JFS Building general obligation bonds are considered defeased and the liabilities for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by $7,877. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The County advance refunded the old debt to reduce its total debt service payments over 15 years by $306,595 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $265,474. A summary of the refunding transaction is presented as follows:

	Various Purpose Refunding Bonds Series 2021			
	County Building	Parking Lot	County Building	Total
Refunded Bonds Oustanding at 12/31/20	$1,028,411	$104,906	$569,000	$1,702,317
Principal Payment Prior to Refunding	(45,449)	(7,579)	(25,300)	(78,328)
Payment to Refunded Bond Escrow Agent - Other Financing Use	(983,083)	(97,341)	(551,442)	(1,631,866)
Refunding Bonds Accounting Loss	($121)	($14)	($7,742)	($7,877)

The Bonds due December 1, 2036, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2022, and thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Redemption Date (December 1)		Principal Amount to be Redeemed
2023		$103,000
2024		104,000
2025		107,000
2026		108,000
2027		110,000
2028		112,000
2029		113,000
2030		117,000
2031		119,000
2032		109,000
2033		111,000
2034		114,000
2035		115,000
2036	*	117,000

* Maturity

The Bonds will be retired by transfers from the general fund to the bond retirement fund. Principal and interest requirements to retire the governmental activities portion of the 2021 Refunding Bonds outstanding as of December 31, 2022, are as follows:

	ECFS (2006) County Building Refunding		Parking Lot Refunding		JFS (2012) County Building Refunding		Total	
Year Ended December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$60,000	$16,467	$9,000	$1,575	$34,000	$9,240	$103,000	$27,282
2024	61,000	15,418	9,000	1,417	34,000	8,645	104,000	25,480
2025	62,000	14,350	10,000	1,260	35,000	8,050	107,000	23,660
2026	63,000	13,265	10,000	1,085	35,000	7,438	108,000	21,788
2027	64,000	12,163	10,000	910	36,000	6,825	110,000	19,898
2028-2032	338,000	43,611	42,000	1,873	190,000	24,431	570,000	69,915
2033-2036	293,000	12,931	0	0	164,000	7,226	457,000	20,157
	$941,000	$128,205	$90,000	$8,120	$528,000	$71,855	$1,559,000	$208,180

The County's outstanding general obligation bonds from direct borrowings and direct placements related to governmental activities of $21,955,245 contain no provisions related to events of default with finance related consequences; termination events with finance-related consequences; or subjective acceleration clauses.

In July 2013, the County entered into an Ohio Public Works loan in the amount of $181,371, interest free, for the purpose of road improvements. Payments were due January 1 and July 1 of each year through 2022. The loan was retired from the bond retirement fund and the final payment was made in 2022.

In July 2015, the County entered into an Ohio Public Works loan in the amount of $150,000, interest free, for the purpose of road improvements. Payments will be due January 1 and July 1 of each year through 2047. The loan will be retired the bond retirement fund. Principal requirements to retire the OPWC Road Improvements Loan as of December 31, 2022, are as follows:

Year Ended December 31,	Principal
2023	$1,162
2024	2,324
2025	2,324
2026	2,324
2027	2,324
2028-2032	11,620
2033-2037	11,620
2038-2042	11,620
2043-2047	11,617
	$56,935

In June 2018, the County entered into an Ohio Public Works loan in the amount of $34,500, interest free, for the purpose of road improvements. Payments will be due January 1 and July 1 of each year through 2040. The loan will be retired from the bond retirement fund. Principal requirements to retire the OPWC Road Improvements Loan as of December 31, 2022, are as follows:

Year Ended December 31,	Principal
2023	$862
2024	1,725
2025	1,725
2026	1,725
2027	1,725
2028-2032	8,625
2033-2037	8,625
2038-2040	4,315
	$29,327

The County's outstanding OPWC loans from direct borrowings contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the County's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

Compensated absences will be paid from the fund from which the employees' salaries are paid. These funds include the General Fund; the Motor Vehicle Gasoline Tax, Children Services, Dog and Kennel, Job and Family Services, Child Support Enforcement Administration, Emergency Management, Court and Corrections, Real Estate Assessment, Board of Developmental Disabilities, Sheriff, Emergency Management System, and Community Development Block Grant Special Revenue Funds; and the Sewer Enterprise Funds. Financed purchase obligations are paid from the Motor Vehicle Gas Tax and the Debt Service Fund.

There is no repayment schedule for the net pension/OPEB liabilities. However, employer pension contributions are made from the following funds: General Fund and the Motor Vehicle Gasoline Tax, Children Services, Dog and Kennel, Job and Family Services, Child Support Enforcement Administration, Emergency Management, Court and Corrections, Real Estate Assessment, Board of Developmental Disabilities, Sheriff, Emergency Management System, and Community Development Block Grant Special Revenue Funds. For additional information related to the net pension and OPEB liabilities, see Notes 11 and 12.

Business-Type Activities

In 2009, the County entered into a Water Pollution Control Loan Fund (WPCLF) agreement through OWDA which included assistance from the American Reinvestment and Recovery Act (ARRA) in the amount of $720,000 for additional financing on the Kanauga-Addison Sewer System. This loan has a 0% interest rate and a term of 20 years. $360,000 of this loan was paid with grant funding from the American Reinvestment and Recovery Act. As of December 31, 2022, $720,000 was disbursed on this loan; $360,000 of the loan has been repaid with the above mentioned ARRA grant funding. In accordance with Section 603(d)(1)(c) of the Clean Water Act, the County has established a dedicated source of revenue for repayment of the loan. The dedicated source of repayment for the loan is the sewer use charges in the Gallia County Commissioner's Resolution passed on May 14, 2009. Semi-annual payment amounts are $9,000 with the date of first payment of January 1, 2012, which was paid during 2011. Principal and interest requirements to retire the County's Kanauga/Addison Sewer OWDA Loan as of December 31, 2022, are as follows:

Year Ended December 31,	Principal
2023	$18,000
2024	18,000
2025	18,000
2026	18,000
2027	18,000
2028-2031	72,000
	$162,000

In 2009, the County entered into a Water Pollution Control Loan Fund agreement through OWDA which included assistance from the American Reinvestment and Recovery Act (ARRA). In June 2011, an additional $110,000 was approved. This loan has a 0% interest rate and a term of 20 years. $450,000 of this loan is scheduled to be paid with grant funding from the American Reinvestment and Recovery Act. As of December 31, 2022, $450,000 of the loan has been repaid with the above mentioned ARRA grant funding. Principal and interest requirements to retire the County's Mercerville Sewer WPCLF OWDA Loan as of December 31, 2022, are as follows:

Year Ended December 31,	Principal
2023	$11,599
2024	11,599
2025	11,599
2026	11,599
2027	11,599
2028-2030	34,798
	$92,793

In June 2011, the County entered into an agreement with OWDA for a Community Assistance Fund Loan for additional funding for the Kanauga – Addison Sewer project. The maximum amount of the loan is $500,000 at a rate of one percent for a term of thirty years. The County has pledged future Kanauga - Addison Sewer System customer revenues, net of specified operating expenses, to repay the loan. Principal and interest requirements to retire the Community Assistance Fund Loan as of December 31, 2022, are as follows:

Year Ended December 31,	Principal	Interest	Total
2023	$15,719	$3,614	$19,333
2024	15,876	3,457	19,333
2025	16,035	3,298	19,333
2026	16,196	3,137	19,333
2027	16,358	2,975	19,333
2028-2032	84,284	12,381	96,665
2033-2037	88,594	8,071	96,665
2038-2042	93,123	3,542	96,665
2043	19,188	140	19,328
	$365,373	$40,615	$405,988

In 2015, the County entered into an agreement with OWDA for the Green Township Sanitary Sewer Study in the amount of $1,547,693. The loans will be paid from pledged revenues charged for services of the system. Principal and interest requirements to retire the County's Green Township Sanitary Sewer OWDA Loan as of December 31, 2022, are as follows:

Year Ended December 31,	Principal	Interest	Total
2023	$36,969	$43,157	$80,126
2024	38,142	41,984	80,126
2025	39,354	40,772	80,126
2026	40,603	39,523	80,126
2027	41,892	38,234	80,126
2028-2032	230,275	170,355	400,630
2033-2037	269,224	131,406	400,630
2038-2042	314,762	85,868	400,630
2043-2047	368,006	32,618	400,624
	$1,379,227	$623,917	$2,003,144

In 2022, the County entered into a Water Pollution Control Loan Fund agreement through OWDA which included assistance from the American Reinvestment and Recovery Act (ARRA). In April 2022, $150,000 was approved. As of December 31, 2022, $706 of this loan has been drawn and repaid with the above mentioned ARRA grant funding.

In 2022, the County entered into a Water Pollution Control Loan Fund agreement through OWDA which included assistance from the American Reinvestment and Recovery Act (ARRA). In March 2021, $150,000 was approved. During 2022, the remaining $124,799 of this loan was drawn. As of December 31, 2022, this loan was repaid with the above mentioned ARRA grant funding.

In 2022, the County entered into an agreement with OWDA to refinance USDA Sewer Revenue Bonds in the amount of $1,156,148. The loans will be paid from pledged revenues charged for services of the system. Principal and interest requirements to retire the County's Sanitary Sewer OWDA Loan as of December 31, 2022, are as follows:

Year Ended December 31,	Principal	Interest	Total
2023	$49,473	$29,290	$78,763
2024	57,461	21,302	78,763
2025	58,587	20,176	78,763
2026	59,735	19,028	78,763
2027	60,906	17,857	78,763
2028-2032	322,904	70,911	393,815
2033-2037	355,805	38,010	393,815
2038-2040	191,277	5,630	196,907
	$1,156,148	$222,204	$1,378,352

In 2022, the County entered into an agreement with OWDA to refinance USDA Sewer Revenue Bonds in the amount of $145,017. The loans will be paid from pledged revenues charged for services of the system. Principal and interest requirements to retire the County's Sanitary Sewer OWDA Loan as of December 31, 2022, are as follows:

Year Ended December 31,	Principal	Interest	Total
2023	$6,206	$3,673	$9,879
2024	7,207	2,672	9,879
2025	7,349	2,530	9,879
2026	7,493	2,386	9,879
2027	7,639	2,240	9,879
2028-2032	40,502	8,893	49,395
2033-2037	44,630	4,765	49,395
2038-2040	23,991	706	24,697
	$145,017	$27,865	$172,882

In 2022, the County entered into an agreement with OWDA to refinance USDA Sewer Revenue Bonds in the amount of $1,673,039. The loans will be paid from pledged revenues charged for services of the system. Principal and interest requirements to retire the County's Sanitary Sewer OWDA Loan as of December 31, 2022, are as follows:

Year Ended December 31,	Principal	Interest	Total
2023	$26,933	$53,759	$80,692
2024	40,445	40,247	80,692
2025	41,446	39,246	80,692
2026	42,472	38,220	80,692
2027	43,524	37,168	80,692
2028-2032	234,320	169,140	403,460
2033-2037	264,788	138,672	403,460
2038-2042	299,222	104,238	403,460
2043-2047	338,132	65,328	403,460
2048-2052	341,757	21,357	363,114
	$1,673,039	$707,375	$2,380,414

The County's outstanding OWDA loans from direct borrowings contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the County shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

In March 2000, the County issued Sewer Revenue Bonds in the amount of $1,927,000 at an interest rate of 4.50 percent. Principal and interest payments were due March 1 of each year through 2040. These bonds issued through the USDA Rural Development were for the purpose of constructing the Bidwell Porter sewer system. The bonds will be repaid from revenues derived from the operations of the County's sewer system. These bonds were paid in full through a refinancing loan through OWDA during 2022.

On March 14, 2013, the Board of County Commissioners approved a resolution authorizing the issuance of $1,862,000 Sanitary Sewer Revenue Bonds. Proceeds were used to retire $1,862,000 of the interim OWDA loan financing on March 25, 2013. The remaining amount of the interim financing outstanding was paid by the County on March 28, 2013. The Sanitary Sewer Revenue Bonds have an interest rate of 3.125% and are to be paid over forty years with the first payment representing interest being due March 1, 2014, with final payment being March 1, 2053. The Bonds will be repaid from revenues derived from the operations of the County's sewer system. These bonds were paid in full through a refinancing loan through OWDA during 2022.

On May 30, 2015, the Board of County Commissioners accepted a loan/grant offer from USDA relating to Green Sewer with a grant amount of $3,335,000 and loan portion of $3,089,000 with terms of 2.00% interest for 40 years with the first payment representing interest being due December 1, 2016, with final payment being December 1, 2055. The Bonds will be repaid from revenues derived from the operations of the County's sewer system. Principal and interest requirements to retire the Sewer Enterprise Fund's bonds outstanding as of December 31, 2022, are as follows:

Year Ended December 31,	Principal	Interest	Total
2023	$60,700	$56,050	$116,750
2024	62,000	54,836	116,836
2025	63,300	53,596	116,896
2026	64,500	52,330	116,830
2027	65,800	51,040	116,840
2028-2032	349,200	234,932	584,132
2033-2037	385,500	198,586	584,086
2038-2042	425,700	158,460	584,160
2043-2047	470,000	114,154	584,154
2048-2052	518,900	65,236	584,136
2053-2055	336,900	13,564	350,464
	$2,802,500	$1,052,784	$3,855,284

In 2021, the Board of County Commissioners issued Sewer Revenue Bonds from USDA relating to Green 2 Sanitary Sewer System in the amount of $2,500,000. The bonds were issued through a direct placement with the United States Department of Agriculture (USDA) to finance the construction of the sanitary sewer system. The Bonds will be repaid from revenues derived from the operations of the County's sewer system. Principal requirements to retire the Sewer Enterprise Fund's bonds outstanding as of December 31, 2022, are as follows:

Year Ended December 31,	Principal	Interest	Total
2023	$48,900	$34,375	$83,275
2024	49,500	33,703	83,203
2025	50,200	33,022	83,222
2026	51,000	32,332	83,332
2027	51,600	31,631	83,231
2028-2032	268,900	147,312	416,212
2033-2037	287,900	128,310	416,210
2038-2042	308,300	107,961	416,261
2043-2047	330,100	86,174	416,274
2048-2052	353,400	62,849	416,249
2053-2057	378,300	37,878	416,178
2058-2061	321,900	11,139	333,039
	$2,500,000	$746,686	$3,246,686

The County's outstanding USDA Sewer Revenue bonds from direct placement contain provisions that in the event of default the Government, at its option may (1) declare the entire principal amount can be declared outstanding and accrued interest shall be immediately due and payable, (2) incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (3) take possession of the facility, repair, maintain, and operate or rent it.

In August 2002, the County obtained the Bidwell Porter Sewer System OPWC Loan in the amount of $230,000 at an interest rate of zero percent. Principal payments were due January and July 1 of each year through 2022. This loan was entered into for the purpose of constructing the Bidwell Porter Sewer System. The loan was paid in full and retired from Sewer Enterprise Fund revenue during 2022.

In July 2008, the County obtained the Kanauga/Addison Sewer OPWC Loan in the amount of $325,000 at an interest rate of zero percent. Principal payments are due January and July 1 of each year through 2044 in amounts of $5,417. This loan was entered into for the purpose of expanding the Kanauga/Addison sewer system. The loan will be retired from Sewer Enterprise Fund revenue. Principal and interest requirements to retire the County's Kanauga/Addison Sewer OPWC Loan outstanding as of December 31, 2022, are as follows:

Year Ended December 31,	Principal
2023	$5,416
2024	10,833
2025	10,833
2026	10,833
2027	10,833
2028-2032	54,165
2033-2037	54,165
2038-2042	54,165
2043-2044	21,673
	$232,916

In July 2014, the County entered into an agreement with Ohio Public Works Commission for a Grant and Loan for the purpose of the Green Sewer Sanitary Improvements project. The loan was in the amount of $600,000 at an interest rate of zero percent. The loan will be retired from Sewer Enterprise Fund revenue. Principal and interest requirements to retire the Green Sewer Sanitary Improvements OPWC Loan outstanding as of December 31, 2022, are as follows:

Year Ended December 31,	Principal
2023	$10,000
2024	20,000
2025	20,000
2026	20,000
2027	20,000
2028-2032	100,000
2033-2037	100,000
2038-2042	100,000
2043-2047	100,000
2048	20,000
	$510,000

In August 2019, the County entered into an agreement with Ohio Public Works Commission for a Loan for the purpose of funding the Green Township Sanitary Sewer Improvement Phase III project. The loan was in the amount of $650,000 at an interest rate of zero percent. As of December 31, 2022, $457,750 of these proceeds have been drawn. Since the loan has not yet been fully drawn, an amortization is not available. The loan will be retired from Sewer Enterprise Fund revenue.

The County's outstanding OPWC loans from direct borrowings contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the County's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

<u>Pledged Revenue</u>

The County has pledged future customer revenues, net of specified operating expenses, to repay $5,302,500 in revenue bonds issued from 2015 to 2021 and $4,973,597 in OWDA loans issued from 2009 to 2022. Proceeds from these loans provided financing for various sewer projects. The bonds and loans are payable solely from customer net revenues and are payable through 2061. Annual principal and interest payments on the loans should require less than 100 percent of net revenues in future years. Net revenues include all revenues received by the sewer utility less all operating expenses other than depreciation expense. The total principal and interest outstanding to be paid on the revenue bonds are $7,101,970. The total principal and interest outstanding to be paid on the OWDA loans are $6,595,571. Principal and interest payments for the current year, including amounts on refinance bonds, were $3,255,499 for the revenue bonds and $190,034 for the OWDA loans. Net revenues were $3,323,016 and total revenues were $3,966,299.

Debt Margin

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total valuation of the County. The Code further provides that the total shall never exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000. The County's total debt margin was $17,981,311 and the unvoted debt margin was $6,418,367 as of December 31, 2022.

Conduit Debt

Pursuant to State statue, various industrial revenue bonds have been issued for private industry within the County. The proceeds of the industrial revenue bonds are used by the various private industries for new construction or improvements. The bonds are to be repaid by the recipients of the proceeds and do not represent obligations of the County. As of December 31, 2022, $158,155,000 of industrial revenue bonds had been issued, and $137,395,000 of those remained outstanding.

NOTE 23 - DECLINING MORTGAGE LOANS

Gallia County administers a loan program with funds provided by the U.S. Department of Housing and Urban Development, through the Ohio Department of Development, Office of Housing and Community Partnerships. The purpose of this program is to provide loans to low and moderate income families for home improvements. Loans are provided as declining mortgage loans with the intent that they do not have to repay 85% of the loan (85% of the loan is released at the end of either a five or ten year period), unless they would sell the residence before the five or ten year period ended. The remaining 15 percent would remain as a mortgage to the property until such time as the owner either pays it off or sells the property. When the owner repays the remaining 15 percent, these monies are deposited into the County's Housing Program Income Fund and then used as a match to current Home Investment Partnership Program Grants. As of December 31, 2022, the total amount of loans outstanding was $256,960. Due to the nature of these loans, they do not constitute a receivable or pledge and the loans accordingly have not been reported in the accompanying basic financial statements.

NOTE 24 - GALLIA COUNTY LANDFILL

In 1978, Gallia County established the Gallia County Sanitary Landfill. The County contracted with Greg Fields to operate the landfill when it opened. In 1991, Mid-American Waste Systems, Inc. (Mid-American) purchased Greg Field's business. At this time Gallia County operated the landfill on its own for a three month period until the County signed the lease agreement with Mid-American in June 1991. In 2001, the County signed the current lease agreement with USA Waste Services, Inc. (Waste Management). The lease agreement states that Waste Management is the operator of the landfill and that the County is to receive a portion of the landfill fees. The lease also states that Waste Management will comply with the Ohio Environmental Protection Agency (EPA) closure and post closure requirements; therefore, Waste Management is responsible for these costs unless the County does not renew the lease agreement. The EPA issued a Sub-Title D that states that landfill operators are to purchase a Final Assurance Bond for the closure and post closure costs and Waste Management has met the requirement.

NOTE 25 - ASSET RETIREMENT OBLIGATIONS

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations,* provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the County would be responsible to address any public safety issues associated with their waste water treatment facilities. The County Engineer estimates these public safety issues to include removing/filling any tankage, cleaning/removing certain equipment, and backfilling certain exposed areas. This asset retirement obligation (ARO) of $580,000 associated with the County waste water treatment facilities was estimated by the County engineer. The remaining useful life of these facilities range from 1 to 36 years.

NOTE 26 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the County received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

The County's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

NOTE 27 – NEW ACCOUNTING PRONOUNCEMENTS

For 2022, the County implemented GASB Statement No. 87, "Leases" and Implementation Guide No. 2019-3, "Leases". GASB Statement No. 87 requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The objective of the Implementation Guide is to provide guidance that clarifies, explains, or elaborates on the requirements of Statement No. 87, "Leases". Changes for these implementations have been incorporated in the County's financial statements and note disclosures. With this implementation, there was an increase in previously reported lease receivable assets of $963,870 with a corresponding offset to deferred inflows of resources, which resulted in no impact on previously reported fund balances/net position.

For 2022, the County implemented GASB Statement No. 91, "Conduit Debt Obligations". GASB Statement No. 91 provides a single method for government issuers to report conduit debt obligations and related commitments. The enhanced guidance is designed to eliminate diversity in practice associated with these issues. Statement 91 clarifies what is a conduit debt obligation; eliminates the option for government issuers to recognize conduit debt obligations, thereby providing a single method of reporting; broadens the definition of conduit debt obligations to include those for which government issuers (1) make related additional commitments, such as guarantees or moral obligation pledges, or (2) voluntarily agree to make debt service payments or request an appropriation for such payments, if necessary; clarifies how government issuers should account for and report (1) commitments they extend or voluntarily provide and (2) arrangements associated with conduit debt obligations, which often are characterized in practice as leases, but are not leases for financial reporting purposes; and enhances note disclosures. The County analyzed this Statement's applicability and determined there to be no impact on the financial statements or note disclosures.

For 2022, the County implemented GASB Statement No. 92, "Omnibus 2020". GASB Statement No. 92 includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements. The issues covered by GASB Statement No. 92, Omnibus 2020, include: modification of the effective date of Statement No. 87, "Leases", as well as associated implementation guidance, to fiscal years beginning after December 15, 2019, to address concerns regarding interim financial reports; reporting intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended," and Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended," to reporting assets accumulated for pensions and OPEB; the applicability of certain requirements of Statement No. 84, "Fiduciary Activities", to pension and OPEB arrangements; and measurement of liabilities and assets, if any, related to asset retirement obligations in a government acquisition. The County analyzed this Statement's applicability and determined there to be no impact on the financial statements or note disclosures.

For 2022, the County implemented GASB Statement No. 93, "Replacement of Interbank Offered Rates". GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBORs) to other reference rates. It addresses those and other accounting and financial reporting implications of the replacement of an IBOR by providing an exception to the lease modifications guidance in Statement 87 for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The County analyzed this Statement's applicability and determined there to be no impact on the financial statements or note disclosures.

For 2022, the County implemented GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". GASB The requirements of Statement No. 97 that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of Statement No. 97 that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within Statement No. 97.

NOTE 28 - SPECIAL INVESTIGATION

The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of the investigation, results may be reported on at a later date.

Gallia County

Required Supplementary Information
Condition Assessments of the County's Infrastructure
Reported Using the Modified Approach
For the Year Ended December 31, 2022

The County reports its road and bridge infrastructure assets using the modified approach. The following disclosures pertain to the condition assessments of these assets:

County Roads

The Gallia County Engineer uses a pavement management system to evaluate to condition of over 454 miles of roadway. All roads are inspected on an annual basis using the following system, and criteria consisting of current condition, last date of maintenance or resurfacing, traffic count and type.

Surface Rating	Condition Rating	Description
1	Excellent	Surface not in need of maintenance. New condition. Surface age typically 1-5 years. Older surfaces with low traffic counts and low truck traffic also in this category.
2	Good	Surface requires minor maintenance to restore to excellent condition. Generally, surfaces 6-10 years of age in this category.
3	Fair	Surface requires major maintenance to restore to excellent condition. Generally, surfaces 11-15 years of age in this category.
4	Deficient	Surface requires major maintenance to restore to excellent condition. Surfaces older than 15 years, or with high traffic counts and high truck traffic in this category.
5	Poor	Surface is no longer useable.

It is the practice of the Gallia County Engineer to maintain the county bridge and large culvert system where at least 80% of the structures will have a rating of '5 - Fair' or better.

The following summarizes the road and bridge conditions as of December 31, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013.

Road Condition 2022

Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	133.064	12,155,610.72	29.57%	29.57%
Good	2	291.526	26,313,899.04	64.01%	93.58%
Fair	3	29.241	2,631,715.68	6.40%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		453.921	41,107,878.24	100.00%	

99.98% of roads exceed the goal of 85% of roadways having a rating of '3 – Fair' or better.

Gallia County

Required Supplementary Information

Condition Assessments of the County's Infrastructure

Reported Using the Modified Approach

For the Year Ended December 31, 2022

Road Condition 2021

Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	133.064	12,155,610.72	29.57%	29.57%
Good	2	291.526	26,313,899.04	64.01%	93.58%
Fair	3	29.241	2,631,715.68	6.40%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		453.921	41,107,878.24	100.00%	

99.98% of roads exceed the goal of 85% of roadways having a rating of '3 – Fair' or better.

Road Condition 2020

Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	167.078	15,332,665.36	37.30%	37.30%
Good	2	207.339	18,206,395.68	44.29%	81.59%
Fair	3	79.414	7,562,174.40	18.40%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		453.921	41,107,888.24	100.00%	

99.98% of roads exceed the goal of 85% of roadways having a rating of '3 – Fair' or better.

Road Condition 2019

Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	214.670	19,601,271.36	47.68%	47.68%
Good	2	191.450	16,974,075.36	41.29%	88.97%
Fair	3	47.710	4,525,878.72	11.01%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		453.920	41,107,878.24	100.00%	

99.98% of roads exceed the goal of 85% of roadways having a rating of '3 – Fair' or better.

Gallia County

Required Supplementary Information
Condition Assessments of the County's Infrastructure
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Road Condition 2018

Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	256.140	23,704,750.08	57.54%	57.54%
Good	2	187.290	16,425,948.00	39.87%	97.40%
Fair	3	11.500	1,063,201.92	2.58%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		455.020	41,200,552.80	100.00%	

99.98% of roads exceed the goal of 85% of roadways having a rating of '3 – Fair' or better.

Road Condition 2017

Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	247.700	22,982,636.16	55.80%	55.80%
Good	2	195.560	17,133,763.68	41.60%	97.40%
Fair	3	11.500	1,063,201.92	2.58%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		454.850	41,186,254.56	100.00%	

99.98% of roads exceed the goal of 85% of roadways having a rating of '3 – Fair' or better.

Road Condition 2016

Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	236.340	21,983,781.60	53.38%	53.38%
Good	2	211.080	18,530,445.12	44.99%	98.37%
Fair	3	7.350	665,375.04	1.62%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		454.860	41,186,254.56	100.00%	

99.98% of roads exceed the goal of 85% of roadways having a rating of '3 – Fair' or better.

Gallia County
Required Supplementary Information
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Road Condition 2015

Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	229.590	21,353,655.84	51.85%	51.85%
Good	2	217.820	19,160,000.64	46.52%	98.37%
Fair	3	7.350	665,375.04	1.62%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		454.850	41,185,684.32	100.00%	

99.98% of roads exceed the goal of 85% of roadways having a rating of '3 – Fair' or better.

Road Condition 2014

Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	212.900	19,872,552.48	48.25%	48.25%
Good	2	234.520	20,641,104.00	50.12%	98.37%
Fair	3	7.350	665,375.04	1.62%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		454.860	41,185,684.32	100.00%	

99.98% of roads exceed the goal of 85% of roadways having a rating of '3 – Fair' or better.

Road Condition 2013

Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	203.800	18,880,398.24	45.84%	45.84%
Good	2	241.050	21,404,570.88	51.97%	97.81%
Fair	3	9.910	894,062.40	2.17%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		454.850	41,185,684.32	100.00%	

99.98% of roads exceed the goal of 85% of roadways having a rating of '3 – Fair' or better.

A comparison of total road condition for 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, in terms of percentage of total road miles is presented below.

Gallia County

Required Supplementary Information

Condition Assessments of the County's Infrastructure

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For the Year Ended December 31, 2022

Percentage of Miles in Fair or Better Condition

2022	2021	2020	2019	2018
99.98%	99.98%	99.98%	99.98%	99.98%

2018	2017	2016	2015	2014
99.98%	99.98%	99.98%	99.98%	99.98%

Bridge Condition 2022

Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	2	0.73%	0.73%
Very Good	8	22	8.03%	8.76%
Good	7	41	14.96%	23.72%
Satisfactory	6	100	36.50%	60.22%
Fair	5	87	31.75%	91.97%
Poor	4	21	7.66%	99.64%
Serious	3	0	0.00%	99.64%
Critical	2	1	0.36%	100.00%
Imminent Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		274	100.00%	

91.97% of structures exceed the goal of 80% of structures having a rating of '5 – Fair' or better.

Bridge Condition 2021

Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	2	0.73%	0.73%
Very Good	8	22	8.03%	8.76%
Good	7	41	14.96%	23.72%
Satisfactory	6	100	36.50%	60.22%
Fair	5	87	31.75%	91.97%
Poor	4	21	7.66%	99.64%
Serious	3	0	0.00%	99.64%
Critical	2	1	0.36%	100.00%
Imminent Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		274	100.00%	

91.97% of structures exceed the goal of 80% of structures having a rating of '5 – Fair' or better.

Gallia County

Required Supplementary Information

Condition Assessments of the County's Infrastructure

Reported Using the Modified Approach

For the Year Ended December 31, 2022

Bridge Condition 2020

Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	2	0.73%	0.73%
Very Good	8	21	7.69%	8.42%
Good	7	44	16.12%	24.54%
Satisfactory	6	99	36.26%	60.81%
Fair	5	89	32.60%	93.41%
Poor	4	17	6.23%	99.63%
Serious	3	0	0.00%	99.63%
Critical	2	1	0.37%	100.00%
Imminent Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		273	100.00%	

93.40% of structures exceed the goal of 80% of structures having a rating of '5 – Fair' or better.

Bridge Condition 2019

Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	3	1.10%	1.10%
Very Good	8	20	7.33%	8.42%
Good	7	47	17.22%	25.64%
Satisfactory	6	96	35.16%	60.81%
Fair	5	89	32.60%	93.41%
Poor	4	16	5.86%	99.27%
Serious	3	1	0.37%	99.63%
Critical	2	1	0.37%	100.00%
Imminent Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		273	100.00%	

93.40% of structures exceed the goal of 80% of structures having a rating of '5 – Fair' or better.

Gallia County
Required Supplementary Information
Condition Assessments of the County's Infrastructure
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Bridge Condition 2018

Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	3	1.09%	1.09%
Very Good	8	19	6.88%	7.97%
Good	7	48	17.39%	25.36%
Satisfactory	6	92	33.33%	58.70%
Fair	5	97	35.14%	93.84%
Poor	4	15	5.43%	99.28%
Serious	3	1	0.36%	99.64%
Critical	2	1	0.36%	100.00%
Imminent Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		276	100.00%	

93.84% of structures exceed the goal of 80% of structures having a rating of '5 – Fair' or better.

Bridge Condition 2017

Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	9	3.25%	3.25%
Very Good	8	19	6.86%	10.11%
Good	7	44	15.88%	25.99%
Satisfactory	6	91	32.85%	58.84%
Fair	5	95	34.30%	93.14%
Poor	4	16	5.78%	98.92%
Serious	3	2	0.72%	99.64%
Critical	2	1	0.36%	100.00%
Imminent Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		277	100.00%	

93.14% of structures exceed the goal of 80% of structures having a rating of '5 – Fair' or better.

Gallia County

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Bridge Condition 2016

Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	9	3.25%	3.25%
Very Good	8	19	6.86%	10.11%
Good	7	44	15.88%	25.99%
Satisfactory	6	91	32.85%	58.84%
Fair	5	95	34.30%	93.14%
Poor	4	16	5.78%	98.92%
Serious	3	2	0.72%	99.64%
Critical	2	1	0.36%	100.00%
Imminent Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		277	100.00%	

93.14% of structures exceed the goal of 80% of structures having a rating of '5 – Fair' or better.

Bridge Condition 2015

Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	13	4.69%	4.69%
Very Good	8	30	10.83%	15.52%
Good	7	52	18.77%	34.30%
Satisfactory	6	66	23.83%	58.12%
Fair	5	92	33.21%	91.34%
Poor	4	21	7.58%	98.92%
Serious	3	2	0.72%	99.64%
Critical	2	1	0.36%	100.00%
Imminent Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		277	100.00%	

91.34% of structures exceed the goal of 80% of structures having a rating of '5 – Fair' or better.

Gallia County

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Bridge Condition 2014

Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	8	2.89%	2.89%
Very Good	8	30	10.83%	13.72%
Good	7	52	18.77%	32.49%
Satisfactory	6	66	23.83%	56.32%
Fair	5	94	33.94%	90.25%
Poor	4	24	8.66%	98.92%
Serious	3	2	0.72%	99.64%
Critical	2	1	0.36%	100.00%
Imminent Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		277	100.00%	

90.25% of structures exceed the goal of 80% of structures having a rating of '5 – Fair' or better.

Bridge Condition 2013

Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	4	1.44%	1.44%
Very Good	8	30	10.83%	12.27%
Good	7	52	18.77%	31.05%
Satisfactory	6	66	23.83%	54.87%
Fair	5	95	34.30%	89.17%
Poor	4	27	9.75%	98.92%
Serious	3	2	0.72%	99.64%
Critical	2	1	0.36%	100.00%
Imminent Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		277	100.00%	

89.17% of structures exceed the goal of 80% of structures having a rating of '5 – Fair' or better.

Gallia County

Required Supplementary Information
Condition Assessments of the County's Infrastructure
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A comparison of total bridge conditions for 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, in terms of percentage of total road miles is presented below.

Percentage of Bridge Structures in Fair or Better Condition

2022	2021	2020	2019	2018
91.97%	91.97%	93.40%	93.40%	93.84%

2018	2017	2016	2015	2014
93.14%	93.14%	91.34%	90.25%	89.17%

Budgeted versus actual expenditures for combined road and bridge maintenance in 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, and 2012 were:

Year	Budgeted	Actual	Difference
2022	$4,521,847	$4,521,847	$0
2021	5,296,765	7,419,715	(2,122,950)
2020	4,600,000	5,964,257	(1,364,257)
2019	4,586,803	4,274,206	312,597
2018	4,288,603	4,857,726	(569,123)
2017	4,463,074	4,558,820	(95,746)
2016	4,361,344	4,508,154	(146,810)
2015	4,429,444	4,152,520	276,924
2014	4,581,744	4,773,651	(191,907)
2013	4,220,114	5,874,749	(1,654,635)
2012	3,551,390	4,161,650	(610,260)

Gallia County

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability (Asset)

Ohio Public Employees Retirement System

Last Nine Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pension - Traditional (1)									
County's proportion of the net pension liability	0.07841440%	0.07841440%	0.07510800%	0.07229004%	0.07427973%	0.07587183%	0.07554384%	0.07611325%	0.07792848%
County's proportionate share of the net pension liability	$9,244,037	$9,457,652	$13,009,651	$16,415,839	$11,653,050	$20,779,756	$14,931,753	$11,270,715	$6,780,093
County's covered-employee payroll	$9,102,506	$9,328,120	$9,115,196	$9,547,765	$9,495,447	$9,564,590	$10,281,979	$10,590,175	$10,999,067
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	101.55%	101.39%	142.72%	171.93%	122.72%	217.26%	145.22%	106.43%	61.64%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%	84.66%	74.70%	82.17%	86.88%	92.62%
Pension - Combined (2)									
County's proportion of the net pension liability (asset)	N/A	N/A	N/A	N/A	0.06250602%	0.07192029%	0.07461642%	0.07667680%	0.06995100%
County's proportionate share of the net pension liability (asset)	N/A	N/A	N/A	N/A	$85,091	$80,423	$155,593	($221,338)	($275,610)
County's covered-employee payroll	N/A	N/A	N/A	N/A	$255,992	$307,600	$332,157	$345,864	$322,693
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	33.24%	26.15%	46.84%	-64.00%	-85.41%
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A	N/A	N/A	137.28%	126.64%	145.28%	157.67%	169.88%
OPEB (3)									
County's proportion of the net OPEB liability (asset)	N/A	N/A	N/A	0.07058310%	0.07203600%	0.07375686%	0.07345410%	0.07412935%	0.07542612%
County's proportionate share of the net OPEB liability (asset)	N/A	N/A	N/A	$7,129,133	$7,822,579	$9,616,153	$10,145,919	($1,320,674)	($2,362,462)
County's covered-employee payroll	N/A	N/A	N/A	$9,985,448	$9,892,239	$10,006,990	$10,746,236	$11,084,239	$11,123,467
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	71.40%	79.08%	96.09%	94.41%	-11.91%	-21.24%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	54.05%	54.14%	46.33%	47.80%	115.57%	128.23%

The amounts presented for each year were determined as of December 31 of the previous year, which is the County's measurement date.
(1) Information not available prior to 2014.
(2) Information not available prior to 2018.
(3) Information not available prior to 2017.
See accompanying notes to the required supplementary information.

Gallia County

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability (Asset)

State Teachers Retirement System of Ohio

Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pension										
County's proportion of the net pension liability	0.004753690%	0.004753690%	0.005068640%	0.004511460%	0.004049900%	0.003782070%	0.004098570%	0.004427400%	0.004553980%	0.004136760%
County's proportionate share of the net pension liability	$1,377,332	$1,156,262	$1,400,824	$1,510,122	$962,062	$831,592	$906,374	$1,071,273	$582,267	$919,607
County's covered-employee payroll	$529,914	$523,054	$528,829	$474,693	$445,236	$429,957	$481,186	$534,321	$561,929	$573,186
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	259.92%	221.06%	264.89%	318.13%	216.08%	193.41%	188.36%	200.49%	103.62%	160.44%
Plan fiduciary net position as a percentage of the total pension liability	69.30%	74.71%	72.09%	66.80%	75.30%	77.30%	77.40%	75.50%	87.80%	78.90%
OPEB (1)										
County's proportion of the net OPEB liability (asset)	N/A	N/A	N/A	N/A	0.004049900%	0.003782070%	0.004098570%	0.004427400%	0.004553980%	0.004136760%
County's proportionate share of the net OPEB liability (asset)	N/A	N/A	N/A	N/A	$158,012	($60,774)	($67,882)	($77,811)	($96,017)	($107,114)
County's covered-employee payroll	N/A	N/A	N/A	N/A	$445,236	$429,957	$481,186	$534,321	$561,929	$573,186
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	35.49%	-14.13%	-14.11%	-14.56%	-17.09%	-18.69%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	N/A	47.11%	176.00%	174.74%	182.10%	174.70%	230.70%

The amounts presented for each year were determined as of June 30 of the current year, which is the County's measurement date.
(1) Information not available prior to 2017.
See accompanying notes to the required supplementary information.

Gallia County
Required Supplementary Information
Schedule of the County's Contributions
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ohio Public Employees Retirement System-Traditional Plan										
Contractually required contribution - pension	$1,221,964	$1,156,715	$1,131,895	$1,189,572	$1,282,704	$1,386,207	$1,489,150	$1,537,295	$1,601,357	$1,645,657
Contributions in relation to the contractually required contribution	1,221,964	1,156,715	1,131,895	1,189,572	1,282,704	1,386,207	1,489,150	1,537,295	1,601,357	1,645,657
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County's covered-employee payroll	$9,102,506	$9,328,120	$9,115,196	$9,547,765	$9,495,447	$9,564,590	$10,281,979	$10,590,175	$10,999,067	$11,754,693
Contributions as a percentage of covered-employee payroll - pension	13.42%	12.40%	12.42%	12.46%	13.51%	14.49%	14.48%	14.52%	14.56%	14.00%
Ohio Public Employees Retirement System-Combined Plan										
Contractually required contribution - pension	$37,313	$30,345	$28,716	$29,842	$33,279	$43,064	$46,502	$48,421	$45,177	$34,179
Contributions in relation to the contractually required contribution	37,313	30,345	28,716	29,842	33,279	43,064	46,502	48,421	45,177	34,179
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County's covered-employee payroll	$287,023	$252,875	$239,300	$248,683	$255,992	$307,600	$332,157	$345,864	$322,693	$244,136
Contributions as a percentage of covered-employee payroll - pension	13.00%	12.00%	12.00%	12.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Ohio Public Employees Retirement System-OPEB										
Contractually required contribution - OPEB				$203,489	$103,146	$5,392	$5,284	$5,928	$4,976	$0
Contributions in relation to the contractually required contribution				203,489	103,146	5,392	5,284	5,928	4,976	0
Contribution deficiency (excess)				$0	$0	$0	$0	$0	$0	$0
County's covered-employee payroll				$9,985,448	$9,892,239	$10,006,990	$10,746,236	$11,084,239	$11,123,467	$11,998,829
Contributions as a percentage of covered-employee payroll - OPEB				2.04%	1.04%	0.05%	0.05%	0.05%	4.00%	14.00%
State Teachers Retirement System										
Contractually required contribution - pension	$68,889	$69,885	$72,698	$69,572	$49,257	$64,461	$71,419	$76,455	$80,246	$78,851
Contractually required contribution - OPEB	5,299	2,189	0	0	0	0	0	0	0	0
Contractually required contribution - total	74,188	72,074	72,698	69,572	49,257	64,461	71,419	76,455	80,246	78,851
Contributions in relation to the contractually required contribution	74,188	72,074	72,698	69,572	49,257	64,461	71,419	76,455	80,246	78,851
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County's covered-employee payroll	$529,914	$514,814	$519,271	$496,943	$351,836	$460,436	$510,136	$546,107	$573,186	$563,221
Contributions as a percentage of covered-employee payroll - pension	13.00%	13.57%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	1.00%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

Note 1 – Ohio Public Employees Retirement System

Pension

Changes in benefit terms

There were no significant changes in benefit terms for 2015 through 2017.

For 2018, COLAs provided up to December 31, 2018 will be based upon a simple, 3 percent COLA. COLAs provided after December 31, 2018 continue to be simple, but will be based upon the annual percentage change in the Consumer Price Index (CPI), and not greater than 3 percent.

There were no significant changes in benefit terms for 2019 or 2020.

For 2021, in October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

For 2022, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from .5 percent simple through 2021 then 2.15 percent simple to 3 percent simple through 2022 then 2.05 percent simple.

Changes in assumptions

There were no significant changes in assumptions for 2015 through 2018.

For 2018, the employer contribution rate allocated to pensions increased from 13.00 percent to 14.00 percent.

For 2019, the investment rate of return decreased from 7.5 percent to 7.2 percent.

There were no significant changes in assumptions for 2020 or 2021.

For 2022, the investment rate of return decreased from 7.2 percent to 6.9 percent.

OPEB

Changes in benefit terms

There were no significant changes in benefit terms for 2018 through 2022.

Changes in assumptions

Changes in assumptions for 2018 were as follows:

- The single discount rate decreased from 4.23 percent to 3.85 percent.
- The employer contribution rate allocated to health care decreased from 1.00 percent to 0.00 percent.

For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85 percent to 3.96 percent.
- The investment rate of return decreased from 6.5 percent to 6 percent.
- The municipal bond rate increased from 3.31 percent to 3.71 percent.
- The initial health care cost trend rate increased from 7.5 percent to 10 percent.

For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96 percent to 3.16 percent.
- The municipal bond rate decreased from 3.71 percent to 2.75 percent.

For 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16 percent to 6.00 percent.
- The municipal bond rate decreased from 2.75 percent to 2.00 percent.
- The initial health care cost trend rate decreased from 10.50 percent to 8.50 percent.

For 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The wage inflation rate decreased from 3.25 percent to 2.75 percent.
- The municipal bond rate decreased from 2.00 percent to 1.84 percent.

The initial health care cost trend rate decreased from 8.50 percent to 5.50 percent.

Note 2 – State Teachers Retirement System

Pension

Changes in Assumptions

Amounts reported beginning in 2022 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2021, 2017, and 2016 and prior are presented as follows:

	2022	2021
Inflation	2.5 percent	2.5 percent
Projected Salary Increases	Varies by service from 2.5% to 8.5%	12.5 percent at age 20 to 2.5 percent at age 65
Investment Rate of Return	7 percent, net of investment expenses, including inflation	7 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Cost of Living Adjustments	0 percent	0 percent

	2017	2016 and Prior
Inflation	2.5 percent	2.75 percent
Projected Salary Increases	12.5 percent at age 20 to 2.5 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost of Living Adjustments	0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

Beginning in 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning in 2017, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For 2016 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022 – Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and to set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis. Actuarial assumptions used in the July 1, 2021 and prior valuations are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2015.

OPEB

Changes in Assumptions

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis. Actuarial assumptions used in the July 1, 2021 and prior valuations are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2015.

Beginning in 2022, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, the discount rate was decreased from 7.45 percent to 7 percent.

For 2019 and 2020, there were no changes in assumptions.

For 2018, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent.

Changes in Benefit Terms

For 2022, the non-Medicare subsidy percentage was increased effective January 1, 2023 from 2.1% to 2.2%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2023. The Medicare Part B monthly reimbursement was increased from $29.90 to $30 and all retirees and surviving spouses are now eligible for the Part B premium reimbursement.

For 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in 2022. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For 2020, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For 2019, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020, to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020, from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019, and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

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GALLIA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education and Workforce				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	$0	$6,653
National School Lunch Program	10.555	N/A	0	11,710
COVID-19 National School Lunch Program		N/A	0	5,778
Total National School Lunch Program			0	17,488
Total Child Nutrition Cluster				24,141
Child Nutrition Discretionairy Grants Limited Availability	10.579	2120H811N8103	0	24,225
Pandemic EBT Local Level Administrative Cost Grant	10.649	N/A	0	628
Passed through Ohio Department of Job and Family Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6927	0	153,368
Passed through Ohio Department of Natural Resources				
Schools and Roads - Grants to States	10.665	N/A	0	10,191
Passed through Ohio Department of Development				
Water and Waste Disposal System for Rural Communities Program	10.760	N/A	0	3,209,252
Total U.S. Department of Agriculture			0	3,421,805
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Ohio Department of Development				
Community Development Block Grant - State's Program	14.228	B-D-20-1AY-1	0	149,765
		B-X-21-1AY-1	0	266,106
		B-F-21-1AY-1	0	88,343
Total Community Development Block Grant - State's Program			0	504,214
Total U.S. Department of Housing and Urban Development			0	504,214
U.S. DEPARTMENT OF THE INTERIOR				
Direct from the Federal Government				
Payments in Lieu of Taxes	15.226	N/A	0	45,591
Passed through Ohio Department of Natural Resources				
National Forest Acquired Lands	15.438	N/A	0	16,245
Total U.S. Department of the Interior			0	61,836
U.S. DEPARTMENT OF JUSTICE				
Passed through the Ohio Attorney Generals Office				
Crime Victim Assistance	16.575	2022-VOCA-134714130	0	8,978
		2023-VOCA-135106464	0	3,093
		2022-VOCA-134714104	0	65,489
		2023-VOCA-135106455	0	20,374
Total Crime Victim Assistance			0	97,934
Direct from Federal Government				
Bulletproof Vest Partnership Program	16.607	N/A	0	2,532
Total U.S. Department of Justice			0	100,466
U.S. DEPARTMENT OF LABOR				
Passed Through Workforce Investment Act Area 7				
Unemployment Insurance	17.225	N/A	0	21,896
Workforce Investment Act (WIA) National Emergency Grants	17.277	N/A	0	13,439
Workforce Investment Opportunity Act (WIOA)Cluster:				
WIOA Adult Program	17.258	N/A	0	132,014
WIOA Youth Activities	17.259	N/A		33,616
WIOA Dislocated Worker Formula Grants	17.278	N/A	0	40,351
Total Workforce Investment Opportunity Act (WIOA) Cluster			0	205,981
Total U.S. Department of Labor			0	241,316
U.S. DEPARTMENT OF TRANSPORTATION				
Direct from the Federal Government				
Airport Improvement Program	20.106	AIP-3-39-0101-019-2022	0	39,875

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
Passed Through Ohio Department of Transportation				
Highway Planning and Construction	20.205	PID #98248	0	2,430
		PID #107225	0	377,812
		PID #107227	0	298,063
		PID #115294	0	45,540
		PID #115584	0	35,550
Total Highway Planning and Construction			0	759,395
Total U.S. Department of Transportation			0	799,270
U.S. DEPARTMENT OF THE TREASURY				
Direct from the Federal Government				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	2,581,384
Passed through Ohio Department of Development				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	744,750
Total U.S. Department of the Treasury			0	3,326,134
U.S. APPALACHIAN REGIONAL COMMISSION				
Direct from the Federal Government				
Appalachian Area Development	23.002	N/A	0	250,000
Total U.S. Appalachian Regional Commission			0	250,000
U.S. DEPARTMENT OF EDUCATION				
Passed through Ohio Department of Education				
Special Education Cluster (IDEA):				
Special Education-Grants to States	84.027A	N/A	0	24,461
COVID-19 Special Educaional Grants to States	84.027X	N/A	0	1,176
Total Special Education-Grants to States			0	25,637
Special Education-Preschool Grants	84.173A	N/A	0	8,670
COVID-19 Special Education-Preschool Grants	84.173X	N/A	0	87
Total Special Education-Preschool Grants			0	8,757
Total Special Education Cluster (IDEA)			0	34,394
Governor's Emergency Education Relief Fund	84.425C	2022	0	14,148
Total U.S. Department of Education			0	48,542
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct from the Federal Government				
State Court Improvement Program	93.586	2101OHSCIC	0	37,291
Passed through Ohio Department of Job and Family Services				
Promoting Safe and Stable Families	93.556	G-2223-11-6927	0	40,126
Temporary Assistance for Needy Families	93.558	G-2021-11-5927	0	18,691
		G-2223-11-6927	1,647,083	2,503,974
COVID-19 Temporary Assistance for Needy Families		G-2021-11-5927	0	333,257
Total Temporary Assistance for Needy Familities			1,647,083	2,855,922
Child Support Enforcement	93.563	G-2021-11-5927	0	1,300
		G-2223-11-6927	0	746,465
Total Child Support Enforcement			0	747,765
Child Support Responsible Parenting	93.564	G-2021-11-5927	120,341	128,740
Child Care and Development Block Grant	93.575	G-2223-11-6927	0	53,573
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6927	0	20,155
Foster Care Title IV-E	93.658	G-2223-11-6927	0	466,572
Adoption Assistance	93.659	G-2223-11-6927	0	177,374
Elder Abuse Prevention Interventions Program	93.747	G-2021-11-5927	0	70,309
Children's Health Insurance Program	93.767	G-2223-11-6927	0	57,321
Passed through Ohio Department of Job and Family Services				
Social Services Block Grant	93.667	G-2223-11-6927	69,166	308,894
Passed through Ohio Department of Developmental Disabilities				
Social Services Block Grant	93.667	N/A	0	20,764
Total Social Services Block Grant			69,166	329,658

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Provided Through to Subrecipients**	**Total Federal Expenditures**
Passed through Ohio Department of Job and Family Services				
Medical Assistance Program	93.778	G-2223-11-6927	0	1,234,753
Total U.S. Department of Health and Human Services			1,836,590	6,219,559
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Ohio Department of Public Safety - Emergency Management Agency				
Emergency Management Performance Grants	97.042	EMC-2021-EP-00002	0	27,486
		EMC-2021-EP-00007	0	17,230
Total Emergency Management Performance Grants			0	44,716
Total U.S. Department of Homeland Security			0	44,716
Total Expenditures of Federal Awards			**$1,836,590**	**$15,017,858**

The accompanying notes are an integral part of this Schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Gallia County (the County), under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows, where applicable, of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in 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.

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 - SUBRECIPIENTS

The County passes certain federal awards received from Ohio Department of Job and Family Services to other governments or not-for-profit agencies (subrecipients). As Note 2 describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

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

NOTE 5 - CHILD NUTRITION CLUSTER

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

NOTE 6 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS with REVOLVING LOAN CASH BALANCE

The current cash balance on the County’s local program income account as of December 31, 2021 is $109,771.

NOTE 7 - MATCHING REQUIREMENTS

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

OHIO AUDITOR OF STATE
KEITH FABER

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

Gallia County
18 Locust Street
Gallipolis, Ohio 45631

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gallia County, Ohio (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 11, 2024, wherein we noted the County adopted new accounting guidance in Governmental Auditing Standards Board Statement 87, *"Leases"* and Implementation Guide No, 2019-3, *"Leases".*

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2022-002 through 2022-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2022-001.

County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Corrective Action Plan. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

April 11, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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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

Gallia County
18 Locust Street
Gallipolis, Ohio 45631

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Gallia County's, Ohio (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Gallia County's major federal programs for the year ended December 31, 2022. Gallia County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds AL #21.027

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, Gallia County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2022.

Unmodified Opinion on the Other Major Federal Program

In our opinion, Gallia County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings for the year ended December 31, 2022.

Basis for Qualified and Unmodified Opinions

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

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

Matter Giving Rise to Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds, AL # 21.027

As described in Finding 2022-005 in the accompanying Schedule of Findings, the County did not comply with requirements regarding Reporting applicable to its Coronavirus State and Local Fiscal Recovery Funds AL #21.027 major federal program.

Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Corrective Action Plan. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings as item 2022-005, to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our audit described in the accompanying Schedule of Findings and Corrective Action Plan. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Keith Faber
Auditor of State
Columbus, Ohio

April 11, 2024

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SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022

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)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	Yes
(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**	Qualified on AL # 21.027; Unmodified on AL # 93.558 & 93.778
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):** AL # 21.027 – Coronavirus State and Local Fiscal Recovery Funds AL # 93.558 – Temporary Assistance for Needy Families (TANF) AL # 93.778 – Medical Assistance Program	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2022-001

Noncompliance

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

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

FINDING NUMBER 2022-001 (Continued)

Noncompliance (Continued)

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Rev. Code.

1. "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Board of Commissioners can authorize the drawing of a warrant for the payment of the amount due. The Board of Commissioners has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

   Amounts less than $100 in counties and less than $3,000 in all other subdivisions may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the County.

2. Blanket Certificate – The auditor or fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Board of Commissioners may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, 50% of the transactions tested at year-end were not certified by the County Auditor at the time the commitment was incurred, and there was no evidence the County followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Testing throughout the year end also noted the improper use of Super Blanket Certificates. Super Blanket Certificates were issued for the County Jail Project. This is not a specific recurring and reasonably predictable operating expense. Therefore, this is not an allowable use of a Super Blanket Certificate. In addition, since Super Blanket Certificates are canceled at year end, this could result in an understatement of outstanding encumbrances at year end on the financial statement presentation.

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

FINDING NUMBER 2022-001 (Continued)

Noncompliance (Continued)

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the County's funds exceeding budgetary spending limitations, the County Auditor should certify the funds are or will be available prior to obligation by the County. When prior certification is not possible, "then and now" certification should be used. Individual purchase orders should have been issued for each contract within the project when approved by the county commissioners. Where a continuing contract is to be performed in whole or in part in an ensuing fiscal year, only the amount required to meet those amounts in the fiscal year in which the contract is made needs to be certified.

Officials' Response: New personnel have been assigned in both the Commissioners' and Auditor's Office since 2022 who are well versed in procedures relating to prior certification in the disbursement process, as well as creating follow up to ensure that all blanket Purchase Orders are closed at the end of the fiscal year. Also, from now on, blanket Purchase Orders created will be based upon contract amounts, and not in excess of amounts established by resolution or ordinance through appropriations. The Auditor's Office will be encouraging the use of Regular Purchase Orders (RGPO's) for the majority of transactions, so that tighter monitoring of expenses towards contract amounts are able to be identified.

FINDING NUMBER 2022-002

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The County's financial statements included errors. As a result, the following adjustment was required:

- The Motor Vehicle Gas Tax Fund included $650,000 in Intergovernmental Revenue on-behalf funding that was received during 2021 and was recorded in the 2021 financial statements but was not recorded in the county's accounting system until 2022. As such, it was again recorded on the 2022 financial statements. This resulted in an overstatement of Intergovernmental Revenue and Public Works expenditures.

To ensure the County's financial statements and notes to the financial statements are complete and accurate, the County Auditor should review revenues and expenditures periodically and at year end to ensure amounts have been properly recorded. Further, the County should review the basic financial statements compiled by their contracted firm prior to filing those statements in the Hinkle System.

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

FINDING NUMBER 2022-002 (Continued)

Material Weakness (Continued)

Officials' Response: Due to some staff changes, this issue should be resolved. To ensure accuracy, the County Auditor's office will review revenues and expenditures periodically and at year end to make sure amounts have been recorded properly. Also, the financial statements will be reviewed more in depth before filing in the Hinkle System.

FINDING NUMBER 2022-003

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Commissioners to make informed decisions regarding budgetary matters.

The original certificate and amendments establish the amounts available for expenditures for the County and the receipts ledger provides the process by which the County controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The approved Final Amended Certificate did not agree to amounts in the accounting system. Final estimated receipts posted to the system varied from those approved by the Commissioners as follows:

Fund	Approved Amounts	System Amounts	Variance
General	$ 13,727,965	$ 16,739,607	$ (3,011,642)
Motor Vehicle License Tax	6,332,214	6,911,991	(579,777)
Job and Family Services	12,321,239	8,128,625	4,192,614
Board of Developmental Disabilities	3,524,021	3,943,134	(419,113)

Failure to accurately post the estimated receipts to the accounting system could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

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

FINDING NUMBER 2022-003 (Continued)

Material Weakness (Continued)

To effectively control the budgetary cycle and to maintain accountability over receipts, the County should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission. The County should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response: Close communication between the County Auditor's and County Commissioners' Offices in the form of monthly meetings and an end of the year review should eliminate any discrepancies between Commissioner approved and Final Estimated Receipts on the Final Amended Certificate.

FINDING NUMBER 2022-004

Material Weakness

The sewer department keeps a spreadsheet of accounts more than 90 days past due and certifies them to the County Treasurer annually, for inclusion on the tax bill to collect long delinquent amounts.

During 2022, the Sewer Clerk did not maintain the spreadsheet of the past due accounts and did not provide past due accounts to the County Treasurer's office for assessment on the property taxes. This can result in lost fees and lack of adequate tracking of past due accounts. The utility system shows delinquent accounts but only those accounts more than 90 days past due are typically turned over for assessment on the property tax bill. Since this assessment was not done in 2022, the delinquent balance at December 31, 2022 increased to $274,495 which is 27% of total collections.

The Sewer Clerk should maintain a list of accounts 90 days or more past due so and annually certify delinquent amounts to the County Treasurer for inclusion on the tax bill.

Official's Response: Beginning in July of 2023, the Sewer Department staff were terminated and all sewer operations (billing, collection, assessment) were turned over to the County Commissioners' Office. Since that takeover, delinquent accounts are handled as follows: at 90 days overdue, a certified letter is sent to the property owner notifying them of the delinquent bill and informing them that their bill will be turned over to the Treasurer's Office for assessment on their real estate taxes unless paid in the next 30 days. At 120 days, a second letter is sent through Certified mail from the County Prosecutor's Office, notifying the property owner that the delinquent bill has been turned over to the Treasurer's Office for property tax assessment.

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Title of Finding:	**Reporting**
Finding Number:	**2022-005**
Assistance Listing Number and Title:	**AL # 21.027**
Federal Award Identification Number / Year	**2022**
Federal Agency:	**U.S. Department of the Treasury**
Compliance Requirement:	**Section L – Reporting**
Pass-Through Entity:	**No**
Repeat Finding from Prior Audit?	**No**

Noncompliance and Material Weakness

2 CFR 200.329 states the non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity. Compliance and Reporting Guidance for the program states that Project and Expenditure Reports are to be submitted by April 30th, 2022 and then annually thereafter. Project and Expenditures Reports are also to include current and cumulative obligations and current and cumulative expenditures.

The County did not submit the annual report for 2023 until May 4, 2023. Additionally, the revenue loss expenditures reported were $1,704,158 more than what was actually spent according to the County records as amounts transferred to the General Fund but unspent as of April 30, 2023 were included as expended. This resulted in over reporting of current and cumulative expenditures.

The County should assure they are following all federal requirements and reporting amounts supported by the underlying county ledgers.

Officials' Response: The annual report will not be 5 days late any more, and the report will reflect actual expenses incurred during the year, and not encumbered fund amounts.

4. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

FINDING NUMBER 2022-006

Finding for Recovery Repaid Under Audit

Beginning with the first payroll distribution in 2015, the County Auditor established a Universal Payroll Schedule for all County employees. A memo dated December 3, 2014, distributed to all department heads outlined the following changes:

"Effective check date January 9, 2015, the Auditor's payroll procedures will establish a universal payroll schedule of pay periods to be two weeks in the arrears instead of either current or 1 week back. Any new hires will start 2 weeks in the arrears effective the date of this memorandum. This change is effective for every department who is paid current or 1 week in the arrears."

4. OTHER – FINDINGS FOR RECOVERY

FINDING NUMBER 2022-006 (Continued)

Finding for Recovery Repaid Under Audit (Continued)

"All department employees will receive a check on January 9, 2015, as usual, with the pay period dates of 12/13/2014 thru 12/26/14. No one will miss a check. Any accrual leave used on their timesheets for that period will be deducted as normal, as for the accrual leave has already been 2 weeks or 1 week in the arrears. As for the regular hours paid for this check will be adjusted at end of employment (resignation/termination/or retirement) on their final payout. The employees' department Appointing Authority will determine their final payout. Payout may be reduced for the regular hours received from the 1/9/2015 paycheck by using any regular hours worked or any accumulative leave."

"If a department has something in their union agreement preventing such a change, then the Appointing Authority is authorized to approve a one-time exception with the union to follow the Auditor's universal payroll schedule, with notification to the union of the Auditor's payroll policy and procedure changes."

Due to the implementation of this change in procedures, Engineer Department employees who were previously paid one week in arrears were paid for the week ended December 19, 2014, twice.

The County Auditor's office has determined that those hours may be repaid upon termination of employment with the County, either from regular hours worked or vacation leave hours accrued. During testing of payroll for employees who terminated employment during calendar year 2022, we noted the following overpayments:

Engineer Department employees, Michael Beaver, Therill Clagg, and Garland Montgomery were paid for the period December 6, 2014 to December 19, 2014 on the December 26, 2014 payroll. In addition, they received payment for the period December 13, 2014 to December 26, 2014, on the January 9, 2015 payroll. This resulted in an overpayment of 40 hours for the period December 13, 2014 to December 19, 2014. This resulted in an advance payment to the employees in the amount of $792.80 to Michael Beaver, $779.60 to Therill Clagg, and $892.00 to Garland Montgomery for a total in amount of $2,464.40. These amounts were not repaid upon termination of employment.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a finding for recovery is hereby issued for public monies illegally expended against Michael Beaver in the amount of $792.80, against Therill Clagg in the amount of $779.60, and against Garland Montgomery in the amount of $892.00 in favor of the Gallia County Engineer Fund in the amount of $2,464.40.

Also, in accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a finding for recovery is hereby issued for public monies illegally expended against County Auditor, Robert Jacks, and his bonding company, County Risk Sharing Authority, jointly and severally, in the amount of $2,464.40, and in favor of the Gallia County Engineer Fund in the amount of $2,464.40.

Mr. Michael Beaver repaid $792.80 for the finding referenced above on February 16, 2024 on pay-in number 122154 paid into the Gallia County Engineer Fund. Mr. Therill Clagg repaid $779.60 for the finding referenced above on February 21, 2024 on pay-in number 122191 paid into the Gallia County Engineer Fund. Mr. Garland Montgomery repaid $892.00 for the finding referenced above on February 14, 2024 on pay-in number 122081 paid into the Gallia County Engineer Fund.

Officials' Response: The Commissioners are currently working to eliminate this problem in 2024.

Gallia County Commissioners

Gallia County Courthouse
18 Locust Street - Room 1292
Gallipolis, Ohio 45631
Ph: 740.446.4612, Ext 1272
Fax: 740.446.4804
Email: gcboc@gallianet.net

Q. Jay Stapleton, President
Leslie R. Henry, Vice President
David K. Smith, Commissioner

Office Staff:
Brian Rutherford, County Administrator
Amanda Phillips, Clerk to the Board
Jamie Peck, Assistant Clerk
Karen Sprague, Grants Administrator

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Noncompliance with Ohio Rev. Code § 5705.41(D)(1) for lack of proper encumbering and incorrect use of Super Blanket Certificates	Not Corrected	Staff changes in 2023 in both the Auditor's Office and the Commissioners' Office due to continued findings in this caveat should reduce/eliminate improper use of Super Blanket, Blanket, and Regular Purchase Orders, as well as ensuring that proper encumbering is done. This should be reflected in our 2023 audit for the last 3 quarters.
2021-002	Material Weakness for financial statement errors	Not Corrected	Staff changes in 2023 in both the Auditor's Office and the Commissioners' Office due to continued findings in this caveat. The County Auditor's Office will conduct both monthly reviews of revenues and expenditures, as well as at year's end to ensure amounts have been recorded properly.

Gallia County Commissioners

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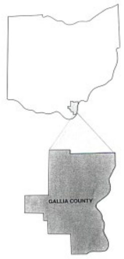

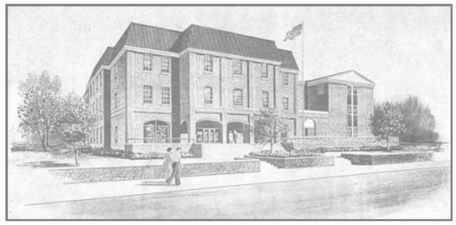

Q. Jay Stapleton, President
Leslie R. Henry, Vice President
David K. Smith, Commissioner

Office Staff:
Brian Rutherford, County Administrator
Amanda Phillips, Clerk to the Board
Jamie Peck, Assistant Clerk
Karen Sprague, Grants Administrator

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number: **2022-001**

Planned Corrective Action: New personnel have been assigned in both the Commissioners' and Auditor's Office since 2022 who are well versed in procedures relating to prior certification in the disbursement process, as well as creating follow up to ensure that all blanket Purchase Orders are closed at the end of the fiscal year. Also, from now on, blanket Purchase Orders created will be based upon contract amounts, and not in excess of amounts established by resolution or ordinance through appropriations. The Auditor's Office will be encouraging the use of Regular Purchase Orders (RGPO's) for the majority of transactions, so that tighter monitoring of expenses towards contract amounts are able to be identified.

Anticipated Completion Date: 4/1/2024

Responsible Contact Person: Brian Rutherford, County Administrator and Robbie Jacks, Auditor

Finding Number: **2022-002**

Planned Corrective Action: Due to some staff changes, this issue should be resolved. To ensure accuracy, the County Auditor's office will review revenues and expenditures periodically and at year end to make sure amounts have been recorded properly. Also, the financial statements will be reviewed more in depth before filing in the Hinkle System.

Anticipated Completion Date: 4/1/2024

Responsible Contact Person: Robbie Jacks, Auditor

Finding Number: **2022-003**

Planned Corrective Action: Close communication between the County Auditor's and County Commissioners' Offices in the form of monthly meetings and an end of the year review should eliminate any discrepancies between Commissioner approved and Final Estimated Receipts on the Final Amended Certificate.

Anticipated Completion Date: Ongoing, December 2024

Responsible Contact Person: Brian Rutherford, County Administrator and Robbie Jacks, Auditor

GALLIA COUNTY

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022
(Continued)

Finding Number: **2022-004**

Planned Corrective Action: Beginning in July of 2023, the Sewer Department staff were terminated and all sewer operations (billing, collection, assessment) were turned over to the County Commissioners' Office. Since that takeover, delinquent accounts are handled as follows: at 90 days overdue, a certified letter is sent to the property owner notifying them of the delinquent bill and informing them that their bill will be turned over to the Treasurer's Office for assessment on their real estate taxes unless paid in the next 30 days. At 120 days, a second letter is sent through Certified mail from the County Prosecutor's Office, notifying the property owner that the delinquent bill has been turned over to the Treasurer's Office for property tax assessment

Anticipated Completion Date: 4/1/2024

Responsible Contact Person: Brian Rutherford, County Administrator, Jayne Peck, Sewer Dept. Clerk

Finding Number: **2022-005**

Planned Corrective Action: The annual report will not be 5 days late any more, and the report will reflect actual expenses incurred during the year, and not encumbered fund amounts.

Anticipated Completion Date: 3/27/2024

Responsible Contact Person: Tom White, Special Projects Director

Finding Number: **2022-006**

Planned Corrective Action: The Commissioners are currently working to eliminate this problem in 2024.

Anticipated Completion Date: 4/30/2024

Responsible Contact Person: Brian Rutherford, County Administrator

OHIO AUDITOR OF STATE
KEITH FABER

GALLIA 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 4/25/2024

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