



OHIO AUDITOR OF STATE  
**KEITH FABER**





**GALLIA COUNTY  
DECEMBER 31, 2021**

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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, 2021, 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, 2021, 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, Board of Developmental Disabilities Fund, and Local Fiscal Recovery 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.

#### ***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 27, 2023, 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 27, 2023

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**Gallia County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*Unaudited*

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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, 2021. 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 2021 are as follows:**

- In total, net position increased \$8,649,485. Net position of governmental activities increased \$8,585,328 from 2020. Net position of business-type activities increased \$64,157 from 2020.
- Overall, the fund balance of governmental funds increased \$1,972,212. While the General Fund increased \$401,270, the Motor Vehicle Gasoline Tax Fund decreased \$1,482,998, the Job and Family Services Fund increased \$134,368, the Board of Developmental Disabilities Fund increased \$431,463, and the Jail Project Capital Improvement Fund increased \$3,160,002.

## **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 non-major 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 2021?" 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.

**Gallia County, Ohio**  
*Management's Discussion and Analysis*  
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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*

The basic governmental fund financial statements begin on page 16. 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, and Board of Developmental Disabilities Special Revenue Funds; the Local Fiscal Recovery Special Revenue Fund; 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.

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*Management's Discussion and Analysis*  
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**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 2021 compared to 2020.

(Table 1)  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and Other Assets	\$49,933,303	\$42,429,921	\$2,768,374	\$866,567	\$52,701,677	\$43,296,488
Net Pension Asset	221,338	155,593	0	0	221,338	155,593
Net OPEB Asset	1,416,691	77,811	0	0	1,416,691	77,811
Capital Assets, Net	115,998,915	112,497,089	19,392,556	18,112,925	135,391,471	130,610,014
<i>Total Assets</i>	<u>167,570,247</u>	<u>155,160,414</u>	<u>22,160,930</u>	<u>18,979,492</u>	<u>189,731,177</u>	<u>174,139,906</u>
<b>Deferred Outflows of Resources</b>						
Pension	724,272	2,723,268	0	0	724,272	2,723,268
OPEB	2,040,602	1,691,117	0	0	2,040,602	1,691,117
Deferred Charge on Refunding	7,877	0	0	0	7,877	0
Asset Retirement Obligations	0	0	321,000	335,500	321,000	335,500
<i>Total Deferred Outflows of Resources</i>	<u>2,772,751</u>	<u>4,414,385</u>	<u>321,000</u>	<u>335,500</u>	<u>3,093,751</u>	<u>4,749,885</u>
<b>Liabilities</b>						
Current and Other Liabilities	7,896,772	2,939,706	673,380	128,745	8,570,152	3,068,451
Long-Term Liabilities:						
Due within One Year	692,463	774,518	198,723	193,989	891,186	968,507
Due in More than One Year:						
Net Pension Liability	11,852,982	16,003,026	0	0	11,852,982	16,003,026
Net OPEB Liability	0	10,145,919	0	0	0	10,145,919
Other Amounts	23,172,831	16,660,797	11,914,049	9,360,637	35,086,880	26,021,434
<i>Total Liabilities</i>	<u>43,615,048</u>	<u>46,523,966</u>	<u>12,786,152</u>	<u>9,683,371</u>	<u>56,401,200</u>	<u>56,207,337</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	5,116,862	4,762,666	0	0	5,116,862	4,762,666
Pension	5,480,965	3,330,969	0	0	5,480,965	3,330,969
OPEB	4,150,797	1,563,200	0	0	4,150,797	1,563,200
<i>Total Deferred Inflows of Resources</i>	<u>14,748,624</u>	<u>9,656,835</u>	<u>0</u>	<u>0</u>	<u>14,748,624</u>	<u>9,656,835</u>
<b>Net Position</b>						
Net Investment in Capital Assets	91,155,872	95,692,520	8,574,812	9,142,431	99,730,684	104,834,951
Restricted	27,722,875	26,322,138	0	0	27,722,875	26,322,138
Unrestricted (Deficit)	(6,899,421)	(18,620,660)	1,120,966	489,190	(5,778,455)	(18,131,470)
<i>Total Net Position</i>	<u>\$111,979,326</u>	<u>\$103,393,998</u>	<u>\$9,695,778</u>	<u>\$9,631,621</u>	<u>\$121,675,104</u>	<u>\$113,025,619</u>

The net pension liability (NPL) is the one of the largest liabilities reported by the County at December 31, 2021. 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

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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 \$12,409,833, due mostly to increases in equity in pooled cash and cash equivalents, capital assets, and the net OPEB asset. Equity in pooled cash and cash equivalents increased \$6,446,671, due mostly to increased revenues from sales taxes and American Rescue Plan funding. The increase in net OPEB assets is due primarily to changes to the health care plan approved by the OPERS Board on January 15, 2020. Deferred outflows of resources related to pension and OPEB decreased \$1,649,511. The significant decrease in total deferred outflow of resources in 2021 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 \$2,908,918, due mostly to decrease in net pension liability and net OPEB liability, this was offset by the increases in current and other liabilities as well as, other amounts due in one year. Current and other liabilities increased \$4,957,066 mostly due to the unearned revenue in the Local Fiscal Recovery Fund. Other amounts due in more than one year increased \$6,512,034 as a result of debt issued for the County Jail Project. Net pension liability decreased \$4,150,044. The net pension liability decrease represents the County's proportionate share of the OPERS traditional and combined plans' unfunded benefits. As indicated above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability. The net OPEB liability decreased \$10,145,919 due to the changes to health care plan approved by the OPERS Board.

Total business-type activities assets increased \$3,181,438. Capital assets increased by \$1,279,631, due to the ongoing construction in progress. Current and other assets increased \$1,901,807 due to new bonds issued 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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*Management's Discussion and Analysis*  
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(Table 2)  
 Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$7,227,840	\$5,337,918	\$1,095,282	\$1,024,805	\$8,323,122	\$6,362,723
Operating Grants, Contributions and Interest	24,479,384	19,827,100	0	0	24,479,384	19,827,100
Capital Grants and Contributions	0	30,935	1,617	0	1,617	30,935
<i>Total Program Revenues</i>	<u>31,707,224</u>	<u>25,195,953</u>	<u>1,096,899</u>	<u>1,024,805</u>	<u>32,804,123</u>	<u>26,220,758</u>
General Revenues:						
Property Taxes	4,633,557	4,399,487	0	0	4,633,557	4,399,487
Sales Taxes	7,893,067	6,709,526	0	0	7,893,067	6,709,526
Lodging Taxes	234,140	158,789	0	0	234,140	158,789
Grants and Entitlements	986,681	849,811	0	0	986,681	849,811
Gifts and Donations	2,000	2,000	0	0	2,000	2,000
Interest	179,678	197,139	1,723	19,761	181,401	216,900
Gain on Sale of Capital Assets	68,794	17,293	0	0	68,794	17,293
Insurance Recoveries	0	59,126	0	0	0	59,126
Other	841,484	1,558,692	516,234	8,443	1,357,718	1,567,135
<i>Total General Revenues</i>	<u>14,839,401</u>	<u>13,951,863</u>	<u>517,957</u>	<u>28,204</u>	<u>15,357,358</u>	<u>13,980,067</u>
Total Revenues	<u>46,546,625</u>	<u>39,147,816</u>	<u>1,614,856</u>	<u>1,053,009</u>	<u>48,161,481</u>	<u>40,200,825</u>
<b>Program Expenses</b>						
General Government:						
Legislative and Executive	4,794,309	6,644,430	0	0	4,794,309	6,644,430
Judicial	1,521,869	2,684,660	0	0	1,521,869	2,684,660
Public Safety	4,271,769	7,647,851	0	0	4,271,769	7,647,851
Public Works	10,587,175	6,125,440	0	0	10,587,175	6,125,440
Health	3,405,624	3,454,773	0	0	3,405,624	3,454,773
Human Services	11,482,304	10,508,467	0	0	11,482,304	10,508,467
Economic Development	1,300,993	975,721	0	0	1,300,993	975,721
Interest and Fiscal Charges	597,254	158,808	0	0	597,254	158,808
Sewer	0	0	1,550,699	1,261,950	1,550,699	1,261,950
<i>Total Program Expenses</i>	<u>37,961,297</u>	<u>38,200,150</u>	<u>1,550,699</u>	<u>1,261,950</u>	<u>39,511,996</u>	<u>39,462,100</u>
Change in Net Position	8,585,328	947,666	64,157	(208,941)	8,649,485	738,725
<i>Net Position at Beginning of Year</i>	<u>103,393,998</u>	<u>102,446,332</u>	<u>9,631,621</u>	<u>9,840,562</u>	<u>113,025,619</u>	<u>112,286,894</u>
<i>Net Position at End of Year</i>	<u>\$111,979,326</u>	<u>\$103,393,998</u>	<u>\$9,695,778</u>	<u>\$9,631,621</u>	<u>\$121,675,104</u>	<u>\$113,025,619</u>

**Governmental Activities**

Program revenues accounted for 68.12 percent of total revenues for governmental activities in 2021. Governmental activities services are primarily funded through these program revenues, with operating grants accounting for \$24,479,384 or 52.59 percent of total revenues. The major recipients of these

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intergovernmental receipts were the Motor Vehicle Gasoline Tax, Job and Family Services, and Board of Developmental Disabilities Special Revenue Funds.

The County's direct charges to users of governmental services made up \$7,227,840 or 15.53 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 31.88 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 \$11,482,304 or 30.25 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 \$4,271,769 or 11.25 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 \$10,587,175 or 27.89 percent of all governmental activities. These activities are almost entirely paid 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 30.61 percent of governmental expenses.

***Business-Type Activities***

The County's sewer operations experienced an increase in net position of \$64,157 during 2021. Charges for services accounted for \$1,095,282, or 67.83 percent of total revenue. Sewer expenses increased \$288,749 from 2020.

**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 \$46,400,065 and expenditures of \$51,886,640.

The fund balance of the General Fund increased \$401,270. This increase was due to increases in property taxes and sales taxes. The General Fund's unassigned fund balance of \$5,347,041 represented 47.14 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 decreased \$1,482,998. The Motor Vehicle Gasoline Tax Special Revenue Fund's spendable fund balance of \$1,854,490 represented 16.04 percent of current year expenditures.

**Gallia County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*Unaudited*

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The fund balance of the Job and Family Services Special Revenue Fund increased \$134,368. The Job and Family Services Special Revenue Fund's spendable fund balance of \$655,816 represented 6.82 percent of current year expenditures.

The fund balance of the Board of Developmental Disabilities Special Revenue Fund increased \$431,463. The Board of Developmental Disabilities Special Revenue Fund's spendable fund balance of \$2,312,433 represented 68.89 percent of current year expenditures.

The fund balance of the Jail Project Capital Improvement Fund increased \$3,160,002 due to the proceeds from bonds issued for the construction jail improvement project.

The Local Fiscal Recovery Fund has unearned revenue in the amount of \$2,626,849 due to the timing of grant funding and resulting in a zero fund balance.

The net position of the Sewer Enterprise Fund increased \$64,157. The Sewer Fund's unrestricted net position of \$1,120,966 represented 84.36 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 2021, 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 \$2,541,441 were made to the original budgeted revenues to account mostly for increases in sales tax revenue and a large refund from the Bureau of Workers Compensation. Final budgeted expenditures increased \$720,244. Gallia County's ending unencumbered fund balance in the General Fund was \$42,821 more than the final budgeted amount.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### ***Capital Assets***

At the end of 2021, the County had \$115,998,915 in governmental activities and \$19,392,556 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 2021 balances compared to 2020.

**Gallia County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*Unaudited*

(Table 3)  
 Capital Assets at December 31, 2021

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$1,355,765	\$1,355,765	\$0	\$0	\$1,355,765	\$1,355,765
Infrastructure	97,076,465	97,076,465	7,824,418	8,145,602	104,900,883	105,222,067
Construction in Progress	4,807,827	797,218	11,472,731	9,854,529	16,280,558	10,651,747
Land Improvements	76,535	82,349	0	0	76,535	82,349
Building and Improvements	9,774,545	10,241,688	0	0	9,774,545	10,241,688
Furniture, Fixtures, and Equipment	1,589,090	1,536,367	74,021	82,451	1,663,111	1,618,818
Vehicles	1,318,688	1,407,237	21,386	30,343	1,340,074	1,437,580
Totals	<u>\$115,998,915</u>	<u>\$112,497,089</u>	<u>\$19,392,556</u>	<u>\$18,112,925</u>	<u>\$135,391,471</u>	<u>\$130,610,014</u>

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 capital leases payable, totaling \$34,987,510 of which \$891,186 is due within one year.

(Table 4)  
 Outstanding Debt at December 31, 2021

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$22,385,340	\$15,680,798	\$0	\$0	\$22,385,340	\$15,680,798
Revenue Bonds	0	0	8,385,200	6,018,000	8,385,200	6,018,000
OWDA Loans	0	0	2,040,050	2,120,411	2,040,050	2,120,411
OPWC Loans	101,646	128,365	1,098,881	827,583	1,200,527	955,948
Capital Leases	976,393	1,249,223	0	0	976,393	1,249,223
Totals	<u>\$23,463,379</u>	<u>\$17,058,386</u>	<u>\$11,524,131</u>	<u>\$8,965,994</u>	<u>\$34,987,510</u>	<u>\$26,024,380</u>

The County's overall legal debt margin was \$17,411,352 at December 31, 2021. For additional information on the County's debt, see Notes 18 and 23 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, Ohio**  
*Statement of Net Position*  
*December 31, 2021*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$35,567,464	\$1,065,203	\$36,632,667
Cash and Cash Equivalents in Segregated Accounts	394,507	1,762	396,269
Cash and Cash Equivalents with Fiscal Agents	216,190	1,551,787	1,767,977
Accrued Interest Receivable	26,316	0	26,316
Accounts Receivable	332,598	328,235	660,833
Internal Balances	180,430	(180,430)	0
Intergovernmental Receivable	4,406,654	0	4,406,654
Sales Tax Receivable	2,477,109	0	2,477,109
Materials and Supplies Inventory	352,481	0	352,481
Prepaid Items	217,630	1,817	219,447
Property Taxes Receivable	5,676,893	0	5,676,893
Unamortized Bond Insurance Premium	85,031	0	85,031
Net Pension Asset	221,338	0	221,338
Net OPEB Asset	1,416,691	0	1,416,691
Nondepreciable Capital Assets	103,240,057	11,472,731	114,712,788
Depreciable Capital Assets, Net	12,758,858	7,919,825	20,678,683
<i>Total Assets</i>	<u>167,570,247</u>	<u>22,160,930</u>	<u>189,731,177</u>
<b>Deferred Outflows of Resources</b>			
Pension	724,272	0	724,272
OPEB	2,040,602	0	2,040,602
Deferred Charge on Refunding	7,877	0	7,877
Asset Retirement Obligations	0	321,000	321,000
<i>Total Deferred Outflows of Resources</i>	<u>2,772,751</u>	<u>321,000</u>	<u>3,093,751</u>
<b>Liabilities</b>			
Accounts Payable	1,560,649	10,866	1,571,515
Contracts Payable	1,486,318	476,967	1,963,285
Retainage Payable	277,267	61,484	338,751
Accrued Wages Payable	429,511	4,722	434,233
Payroll Withholdings Payable	78,249	734	78,983
Matured Compensated Absences Payable	8,772	0	8,772
Vacation and Other Leave Benefits Payable	757,539	10,053	767,592
Intergovernmental Payable	462,509	9,340	471,849
Accrued Interest Payable	60,518	99,214	159,732
Unearned Revenue	2,775,440	0	2,775,440
Long-Term Liabilities:			
Due within One Year	692,463	198,723	891,186
Due in More than One Year:			
Net Pension Liability	11,852,982	0	11,852,982
Other Amounts	23,172,831	11,914,049	35,086,880
<i>Total Liabilities</i>	<u>43,615,048</u>	<u>12,786,152</u>	<u>56,401,200</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	5,116,862	0	5,116,862
Pension	5,480,965	0	5,480,965
OPEB	4,150,797	0	4,150,797
<i>Total Deferred Inflows of Resources</i>	<u>14,748,624</u>	<u>0</u>	<u>14,748,624</u>
<b>Net Position</b>			
Net Investment in Capital Assets	91,155,872	8,574,812	99,730,684
Restricted for:			
Debt Service	60,067	0	60,067
Capital Projects	56,002	0	56,002
County Jail Project	14,519,750	0	14,519,750
Job and Family Services	649,633	0	649,633
Court Operations	1,967,894	0	1,967,894
Sheriff Operations	90,841	0	90,841
Emergency Management Services	1,675,028	0	1,675,028
Real Estate Management	542,486	0	542,486
Roads and Bridge Projects	3,615,269	0	3,615,269
Developmental Disabilities	2,536,105	0	2,536,105
Economic Development	742,195	0	742,195
Childrens Services Operations	226,229	0	226,229
Child Support Services	999,789	0	999,789
Unclaimed Monies	32,510	0	32,510
Other Purposes	9,077	0	9,077
Unrestricted (Deficit)	(6,899,421)	1,120,966	(5,778,455)
<i>Total Net Position</i>	<u>\$111,979,326</u>	<u>\$9,695,778</u>	<u>\$121,675,104</u>

See accompanying notes to the basic financial statements

**Gallia County, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
<b>Governmental Activities</b>				
General Government:				
Legislative and Executive	\$4,794,309	\$2,134,386	\$704,337	\$0
Judicial	1,521,869	1,155,651	576,243	0
Public Safety	4,271,769	1,264,791	305,226	0
Public Works	10,587,175	755,884	9,116,997	0
Health	3,405,624	354,337	1,424,880	0
Human Services	11,482,304	1,071,670	11,526,393	0
Economic Development	1,300,993	491,121	825,308	0
Interest and Fiscal Charges	597,254	0	0	0
<i>Total Governmental Activities</i>	37,961,297	7,227,840	24,479,384	0
<b>Business-Type Activity</b>				
Sewer	1,550,699	1,095,282		1,617
<i>Total Primary Government</i>	\$39,511,996	\$8,323,122	\$24,479,384	\$1,617

**General Revenues**

Property Taxes Levied for:

General Purposes

Board of Developmental Disabilities

Sales Taxes Levied for:

General Purposes

Public Safety

Lodging Taxes

Grants and Entitlements not Restricted to Specific Programs

Gifts and Donations

Interest

Gain on Sale of Capital Assets

Other Revenues

*Total General Revenues*

Change in Net Position

*Net Position at Beginning of Year*

*Net Position at End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activity	Total
(\$1,955,586)	\$0	(\$1,955,586)
210,025	0	210,025
(2,701,752)	0	(2,701,752)
(714,294)	0	(714,294)
(1,626,407)	0	(1,626,407)
1,115,759	0	1,115,759
15,436	0	15,436
(597,254)	0	(597,254)
(6,254,073)	0	(6,254,073)
0	(453,800)	(453,800)
(6,254,073)	(453,800)	(6,707,873)
2,706,051	0	2,706,051
1,927,506	0	1,927,506
6,493,812	0	6,493,812
1,399,255	0	1,399,255
234,140	0	234,140
986,681	0	986,681
2,000	0	2,000
179,678	1,723	181,401
68,794	0	68,794
841,484	516,234	1,357,718
14,839,401	517,957	15,357,358
8,585,328	64,157	8,649,485
103,393,998	9,631,621	113,025,619
<u>\$111,979,326</u>	<u>\$9,695,778</u>	<u>\$121,675,104</u>

**Gallia County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2021*

	General	Motor Vehicle Gasoline Tax	Job and Family Services
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$4,364,748	\$1,491,112	\$701,290
Cash and Cash Equivalents in Segregated Accounts	106,131	21,909	22,230
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Restricted Assets:			
Cash and Cash Equivalents	32,510	0	0
Receivables:			
Property Taxes	3,501,545	0	0
Sales Taxes	1,980,817	0	0
Accrued Interest	26,316	0	0
Accounts	48,599	0	0
Intergovernmental	653,097	3,127,548	26,719
Interfund	1,392,965	35,496	319,178
Materials and Supplies Inventory	0	352,481	0
Prepaid Items	124,232	13,534	18,392
<i>Total Assets</i>	<u>\$12,230,960</u>	<u>\$5,042,080</u>	<u>\$1,087,809</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$230,641	\$820,598	\$208,066
Contracts Payable	0	0	0
Accrued Wages Payable	153,752	41,658	64,176
Payroll Withholdings Payable	39,677	9,129	9,263
Matured Compensated Absences Payable	8,772	0	0
Intergovernmental Payable	261,290	19,217	21,972
Interfund Payable	41,714	26,888	59,251
Retainage Payable	0	0	0
Unearned Revenue	0	0	26,685
<i>Total Liabilities</i>	<u>735,846</u>	<u>917,490</u>	<u>389,413</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	3,166,655	0	0
Unavailable Revenue	1,503,743	1,904,085	24,188
<i>Total Deferred Inflows of Resources</i>	<u>4,670,398</u>	<u>1,904,085</u>	<u>24,188</u>
<b>Fund Balances</b>			
Nonspendable	156,742	366,015	18,392
Restricted	0	1,854,490	655,816
Committed	65,023	0	0
Assigned	1,255,910	0	0
Unassigned (Deficit)	5,347,041	0	0
<i>Total Fund Balances</i>	<u>6,824,716</u>	<u>2,220,505</u>	<u>674,208</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$12,230,960</u>	<u>\$5,042,080</u>	<u>\$1,087,809</u>

See accompanying notes to the basic financial statements

<u>Board of Developmental Disabilities</u>	<u>Local Fiscal Recovery</u>	<u>Jail Project Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$2,071,204	\$2,647,449	\$17,282,024	\$6,765,436	\$35,323,263
17,918	0	0	204,321	372,509
216,190	0	0	0	216,190
0	0	0	0	32,510
2,175,348	0	0	0	5,676,893
0	0	0	496,292	2,477,109
0	0	0	0	26,316
0	0	0	283,999	332,598
374,971	0	0	224,319	4,406,654
858	0	0	95,082	1,843,579
0	0	0	0	352,481
20,739	0	0	40,733	217,630
<u>\$4,877,228</u>	<u>\$2,647,449</u>	<u>\$17,282,024</u>	<u>\$8,110,182</u>	<u>\$51,277,732</u>
\$62,083	\$10,546	\$963	\$227,752	\$1,560,649
212	0	1,484,044	2,062	1,486,318
56,289	6,746	0	106,890	429,511
7,466	0	0	12,714	78,249
0	0	0	0	8,772
48,200	3,308	0	108,522	462,509
41,628	0	1,000,000	493,668	1,663,149
0	0	277,267	0	277,267
0	2,626,849	0	121,906	2,775,440
<u>215,878</u>	<u>2,647,449</u>	<u>2,762,274</u>	<u>1,073,514</u>	<u>8,741,864</u>
1,950,207	0	0	0	5,116,862
377,971	0	0	372,144	4,182,131
<u>2,328,178</u>	<u>0</u>	<u>0</u>	<u>372,144</u>	<u>9,298,993</u>
20,739	0	0	40,733	602,621
2,312,433	0	14,519,750	6,290,283	25,632,772
0	0	0	334,855	399,878
0	0	0	0	1,255,910
0	0	0	(1,347)	5,345,694
<u>2,333,172</u>	<u>0</u>	<u>14,519,750</u>	<u>6,664,524</u>	<u>33,236,875</u>
<u>\$4,877,228</u>	<u>\$2,647,449</u>	<u>\$17,282,024</u>	<u>\$8,110,182</u>	<u>\$51,277,732</u>

**Gallia County, Ohio**  
*Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
December 31, 2021*

**Total Governmental Fund Balances** \$33,236,875

***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. 115,998,915

Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds:

Delinquent Property Taxes	560,031	
Sales Taxes	888,322	
Lodging Taxes	116	
Intergovernmental Revenues	2,576,745	
Charges for Services	88,796	
Interest	26,316	
Other Revenues	41,805	4,182,131

Unamortized bond insurance premiums do not provide current financial resources, and therefore are not reported in the funds. 85,031

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. 7,877

An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and the liabilities of the internal service fund are included in governmental activities in the statement of net position 233,689

Vacation and Other 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. (757,539)

The net pension asset, net OPEB asset, net pension liability and net OPEB liability are not due and payable in the current period: therefore, the asset, liabilities, and related deferred inflows/outflows are not reported in governmental funds:

Net Pension Asset	221,338	
Net OPEB Asset	1,416,691	
Deferred Outflows - Pension	2,040,602	
Deferred Outflows - OPEB	724,272	
Net Pension Liability	(11,852,982)	
Deferred Inflows - Pension	(5,480,965)	
Deferred Inflows - OPEB	(4,150,797)	(17,081,841)

Long-term liabilities, accrued interest, and vacation benefits that are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds Payable	(21,700,000)	
Bond Premium	(685,340)	
OPWC Loans Payable	(101,645)	
Capital Leases Payable	(976,393)	
Accrued Interest Payable	(60,518)	
Compensated Absences	(401,916)	(23,925,812)

Net Position of Governmental Activities \$111,979,326

See accompanying notes to the basic financial statements

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**Gallia County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2021*

	General	Motor Vehicle Gasoline Tax	Job and Family Services
<b>Revenues</b>			
Property Taxes	\$2,714,981	\$0	\$0
Sales Taxes	6,285,371	0	0
Lodging Taxes	0	0	0
Intergovernmental	1,497,094	9,209,892	9,039,918
Charges for Services	1,664,909	431,494	608,802
Licenses and Permits	2,610	294,247	0
Fines and Forfeitures	224,895	29,343	0
Interest	207,903	8,843	0
Rent	79,234	0	11,036
Gifts and Donations	2,000	0	0
Other	569,775	35,496	6,108
<i>Total Revenues</i>	<u>13,248,772</u>	<u>10,009,315</u>	<u>9,665,864</u>
<b>Expenditures</b>			
Current:			
General Government:			
Legislative and Executive	5,316,417	0	0
Judicial	1,352,314	0	0
Public Safety	4,221,236	0	0
Public Works	76,961	11,453,119	0
Health	37,678	0	0
Human Services	337,409	0	9,609,157
Economic Development	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	615	91,194	0
Interest and Fiscal Charges	17	16,794	0
Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>11,342,647</u>	<u>11,561,107</u>	<u>9,609,157</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,906,125</u>	<u>(1,551,792)</u>	<u>56,707</u>
<b>Other Financing Sources (Uses)</b>			
Refunding Bonds Issued	0	0	0
General Obligation Bonds Issued	0	68,794	0
Premium on Bonds Issued	0	0	0
Payment to Bond Escrow Agent Principal	0	0	0
Payment to Bond Escrow Agent Interest	0	0	0
Transfers In	0	0	77,661
Transfers Out	(1,504,855)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,504,855)</u>	<u>68,794</u>	<u>77,661</u>
<i>Net Change in Fund Balance</i>	401,270	(1,482,998)	134,368
<i>Fund Balances at Beginning of Year</i>	<u>6,423,446</u>	<u>3,703,503</u>	<u>539,840</u>
<i>Fund Balances at End of Year</i>	<u><u>\$6,824,716</u></u>	<u><u>\$2,220,505</u></u>	<u><u>\$674,208</u></u>

See accompanying notes to the basic financial statements



Board of Developmental Disabilities	Local Fiscal Recovery	Jail Project Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$1,950,006	\$0	\$0	\$0	\$4,664,987
0	0	0	1,321,251	7,606,622
0	0	0	234,024	234,024
1,297,682	276,819	0	4,201,299	25,522,704
302,189	0	0	3,207,585	6,214,979
0	0	0	19,031	315,888
0	0	0	266,429	520,667
0	0	0	350	217,096
67,659	0	0	49,346	207,275
90,345	0	0	3,799	96,144
80,349	0	0	107,951	799,679
<u>3,788,230</u>	<u>276,819</u>	<u>0</u>	<u>9,411,065</u>	<u>46,400,065</u>
0	227,439	0	995,789	6,539,645
0	1,130	0	1,305,803	2,659,247
0	10,054	0	2,770,780	7,002,070
0	0	0	32,117	11,562,197
3,356,767	38,196	0	825,362	4,258,003
0	0	0	2,851,428	12,797,994
0	0	0	1,297,082	1,297,082
0	0	3,994,998	0	3,994,998
0	0	0	901,069	992,878
0	0	0	572,344	589,155
0	0	165,237	28,134	193,371
<u>3,356,767</u>	<u>276,819</u>	<u>4,160,235</u>	<u>11,579,908</u>	<u>51,886,640</u>
<u>431,463</u>	<u>0</u>	<u>(4,160,235)</u>	<u>(2,168,843)</u>	<u>(5,486,575)</u>
0	0	0	1,660,000	1,660,000
0	0	7,155,000	0	7,223,794
0	0	165,237	41,622	206,859
0	0	0	(1,623,989)	(1,623,989)
0	0	0	(7,877)	(7,877)
0	0	0	1,427,194	1,504,855
0	0	0	0	(1,504,855)
<u>0</u>	<u>0</u>	<u>7,320,237</u>	<u>1,496,950</u>	<u>7,458,787</u>
431,463	0	3,160,002	(671,893)	1,972,212
<u>1,901,709</u>	<u></u>	<u>11,359,748</u>	<u>7,336,417</u>	<u>31,264,663</u>
<u>\$2,333,172</u>	<u>\$0</u>	<u>\$14,519,750</u>	<u>\$6,664,524</u>	<u>\$33,236,875</u>

**Gallia County, Ohio**  
*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, 2021*

**Net Change in Fund Balances - Total Governmental Funds** \$1,972,212

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense.

This is the amount by which capital outlay exceeded depreciation in the current period

Capital Assets Additions	4,517,452	
Depreciation Expense	<u>(1,015,626)</u>	3,501,826

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent Property Taxes	(31,430)	
Sales Taxes	286,445	
Lodging Taxes	116	
Intergovernmental Revenues	(159,976)	
Charges for Services	(30,969)	
Interest	(28,225)	
Other Revenues	<u>41,805</u>	77,766

Repayments of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

General Obligation Bonds Payable	693,328	
Refunding of Bonds	1,623,989	
OPWC Loans Payable	26,720	
Capital Leases Payable	<u>272,830</u>	2,616,867

Debt proceeds are other financing sources in the governmental funds, but the issuance increases long-term liabilities in the statement of net position

Refunding Bonds Issued	(1,660,000)	
Bonds Issued	(7,155,000)	
Premium on Bonds Issued	<u>(206,859)</u>	(9,021,859)

The refunding difference is allocated as a reduction of expense in the Statement of Activities over the life of the bonds.

7,877

Bond insurance premiums are debt service expenditures in governmental funds when paid, but are reported as unamortized bond insurance premiums on the statement of net position, and are allocated as an expense over the life of the outstanding debt on the statement of activities.

Bond Insurance Paid		31,030
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The internal service fund used by management to charge the cost of insurance to individual individual funds is not reported in the government-wide statement of activities. Governmental expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities:

28,739

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	1,687,169	
OPEB	<u>4,976</u>	1,692,145

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities/assets are reported as pension/OPEB expense in the statement of activities.

Pension	(304,042)	
OPEB	<u>7,925,381</u>	7,621,339

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:

Accrued Interest	(5,882)	
Amortization of Bond Insurance Premium	(1,421)	
Vacation and Other Leave Benefits Payable	87,982	
Compensated Absences Payable	<u>(23,293)</u>	57,386

*Change in Net Position of Governmental Activities* \$8,585,328

See accompanying notes to the basic financial statements

**Gallia County, Ohio**  
*Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$2,394,704	\$2,702,839	\$2,702,839	\$0
Sales Taxes	5,000,000	5,903,586	5,903,586	0
Intergovernmental	1,183,351	1,447,885	1,447,885	0
Charges for Services	1,070,460	1,516,539	1,516,539	0
Licenses and Permits	1,635	2,610	2,610	0
Fines and Forfeitures	125,050	226,118	226,118	0
Interest	150,000	207,851	207,851	0
Rent	55,000	77,774	77,774	0
Gifts and Donations	2,000	2,000	2,000	0
Other	132,136	568,575	568,575	0
<i>Total Revenues</i>	<u>10,114,336</u>	<u>12,655,777</u>	<u>12,655,777</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	5,132,159	5,367,706	5,353,079	14,627
Judicial	1,374,298	1,385,367	1,382,967	2,400
Public Safety	3,665,742	4,201,245	4,201,239	6
Public Works	83,354	93,016	78,354	14,662
Health	80,282	46,451	40,751	5,700
Human Services	398,210	360,504	355,078	5,426
<i>Total Expenditures</i>	<u>10,734,045</u>	<u>11,454,289</u>	<u>11,411,468</u>	<u>42,821</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(619,709)</u>	<u>1,201,488</u>	<u>1,244,309</u>	<u>42,821</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	219,145	219,145	219,145	0
Advances Out	0	(85,283)	(85,283)	0
Transfers Out	(1,262,662)	(1,504,855)	(1,504,855)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,043,517)</u>	<u>(1,370,993)</u>	<u>(1,370,993)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,663,226)	(169,505)	(126,684)	42,821
<i>Fund Balance at Beginning of Year</i>	2,925,273	2,925,273	2,925,273	0
Prior Year Encumbrances Appropriated	233,040	233,040	233,040	0
<i>Fund Balance at End of Year</i>	<u>\$1,495,087</u>	<u>\$2,988,808</u>	<u>\$3,031,629</u>	<u>\$42,821</u>

See accompanying notes to the basic financial statements

**Gallia County, Ohio**  
*Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Motor Vehicle Gasoline Tax Fund*  
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$4,457,987	\$8,775,844	\$8,775,844	\$0
Charges for Services	156,000	437,238	437,238	0
Licenses and Permits	336,200	294,039	294,039	0
Fines and Forfeitures	17,800	30,561	30,561	0
Interest	12,000	8,843	8,843	0
Other	30,000	0	0	0
<i>Total Revenues</i>	5,009,987	9,546,525	9,546,525	0
<b>Expenditures</b>				
Current:				
Public Works	5,296,765	10,435,913	10,435,913	0
<i>Excess of Revenues Under Expenditures</i>	(286,778)	(889,388)	(889,388)	0
<b>Other Financing Sources</b>				
Proceeds from Sale of Assets	0	68,794	68,794	0
<i>Net Change in Fund Balance</i>	(286,778)	(820,594)	(820,594)	0
<i>Fund Balance at Beginning of Year</i>	2,283,551	2,283,551	2,283,551	0
<i>Fund Balance at End of Year</i>	<u>\$1,996,773</u>	<u>\$1,462,957</u>	<u>\$1,462,957</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

**Gallia County, Ohio**  
*Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Job and Family Services Fund  
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$10,504,527	\$9,017,533	\$9,017,533	\$0
Charges for Services	275,000	290,925	290,925	0
Rent	5,000	11,036	11,036	0
Other	44,000	3,577	3,577	0
<i>Total Revenues</i>	10,828,527	9,323,071	9,323,071	0
<b>Expenditures</b>				
Current:				
Human Services	10,608,527	9,540,878	9,540,878	0
<i>Excess of Revenues Over (Under) Expenditures</i>	220,000	(217,807)	(217,807)	0
<b>Other Financing Sources</b>				
Transfers In	80,000	77,661	77,661	0
<i>Net Change in Fund Balance</i>	300,000	(140,146)	(140,146)	0
<i>Fund Balance at Beginning of Year</i>	820,303	820,303	820,303	0
<i>Fund Balance at End of Year</i>	<u>\$1,120,303</u>	<u>\$680,157</u>	<u>\$680,157</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

**Gallia County, Ohio**  
*Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Board of Developmental Disabilities Fund*  
*For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$1,770,061	\$1,942,714	\$1,942,714	\$0
Intergovernmental	1,383,250	1,198,967	1,198,967	0
Charges for Services	278,000	354,168	354,168	0
Rent	8,000	67,109	67,109	0
Gifts and Donations	7,500	10,600	10,600	0
Other	120,250	80,349	80,349	0
<i>Total Revenues</i>	3,567,061	3,653,907	3,653,907	0
<b>Expenditures</b>				
Current:				
Health	2,944,263	3,402,701	3,369,879	32,822
<i>Net Change in Fund Balance</i>	622,798	251,206	284,028	(32,822)
<i>Fund Balance at Beginning of Year</i>	1,619,409	1,619,409	1,619,409	0
Prior Year Encumbrances Appropriated	65,000	65,000	65,000	0
<i>Fund Balance at End of Year</i>	<u>\$2,307,207</u>	<u>\$1,935,615</u>	<u>\$1,968,437</u>	<u>(\$32,822)</u>

See accompanying notes to the basic financial statements

**Gallia County, Ohio**  
*Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Local Fiscal Recovery Fund  
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$0	\$2,903,668	\$2,903,668	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	0	227,439	227,439	0
Judicial	0	1,130	1,130	0
Health	0	27,650	27,650	0
<i>Total Expenditures</i>	<u>0</u>	<u>256,219</u>	<u>256,219</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	2,647,449	2,647,449	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$2,647,449</u>	<u>\$2,647,449</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

**Gallia County, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2021*

	Business-Type Activities	Governmental Activities
	Sewer	Internal Service
<b>Assets</b>		
Current :		
Equity in Pooled Cash and Cash Equivalents	\$1,065,203	\$211,691
Cash and Cash Equivalents in Segregated Accounts	1,762	21,998
Accounts Receivable	328,235	0
Prepaid Items	1,817	0
<i>Total Current Assets</i>	<i>1,397,017</i>	<i>233,689</i>
Noncurrent:		
Restricted Assets:		
Cash and Cash Equivalents with Fiscal Agent	1,551,787	0
Nondepreciable Capital Assets	11,472,731	0
Depreciable Capital Assets, Net	7,919,825	0
<i>Total Noncurrent Assets</i>	<i>20,944,343</i>	<i>0</i>
<i>Total Assets</i>	<i>22,341,360</i>	<i>233,689</i>
<b>Deferred Outflows of Resources</b>		
Asset Retirement Obligations	321,000	0
<b>Liabilities</b>		
Current:		
Accounts Payable	10,866	0
Contracts Payable	476,967	0
Retainage Payable	61,484	0
Accrued Wages Payable	4,722	0
Payroll Withholdings Payable	734	0
Vacation and Other Leave Benefits Payable	10,053	0
Intergovernmental Payable	9,340	0
Accrued Interest Payable	99,214	0
Interfund Payable	180,430	0
Revenue Bonds Payable	136,900	0
OPWC Loans Payable	21,166	0
OWDA Loans Payable	40,657	0
<i>Total Current Liabilities</i>	<i>1,052,533</i>	<i>0</i>
Long-Term:		
Compensated Absences Payable	8,641	0
Revenue Bonds Payable	8,248,300	0
OPWC Loans Payable	1,077,715	0
OWDA Loans Payable	1,999,393	0
Asset Retirement Obligations	580,000	0
<i>Total Long-Term Liabilities</i>	<i>11,914,049</i>	<i>0</i>
<i>Total Liabilities</i>	<i>12,966,582</i>	<i>0</i>
<b>Net Position</b>		
Net Investment in Capital Assets	8,574,812	0
Unrestricted	1,120,966	233,689
<i>Total Net Position</i>	<i>\$9,695,778</i>	<i>\$233,689</i>

See accompanying notes to the basic financial statements



**Gallia County, Ohio**  
*Statement of Revenues, Expenses,  
and Changes in Fund Net Position*  
*Proprietary Funds*  
*For the Year December 31, 2021*

	Business-Type Activities	Governmental Activities
	Sewer	Internal Service
<b>Operating Revenues</b>		
Charges for Services	\$1,095,282	\$0
Other Operating Revenues	516,234	52,262
	<u>1,611,516</u>	<u>52,262</u>
<i>Total Operating Revenues</i>		
<b>Operating Expenses</b>		
Salaries and Wages	123,219	32,953
Fringe Benefits	53,190	0
Contractual Services	603,127	0
Materials and Supplies	50,781	0
Depreciation	338,571	0
Other	159,827	0
	<u>1,328,715</u>	<u>32,953</u>
<i>Total Operating Expenses</i>		
<i>Operating Income (Loss)</i>	<u>282,801</u>	<u>19,309</u>
<b>Non-Operating Revenues (Expenses)</b>		
Interest Income	1,723	0
Interest and Fiscal Charges	(221,984)	0
	<u>(220,261)</u>	<u>0</u>
<i>Total Non-Operating Revenues (Expenses)</i>		
<i>Income (Loss) before Contributions</i>	<u>62,540</u>	<u>19,309</u>
Capital Contributions	1,617	9,430
	<u>64,157</u>	<u>28,739</u>
<i>Change in Net Position</i>		
<i>Net Position at Beginning of Year</i>	<u>9,631,621</u>	<u>204,950</u>
<i>Net Position at End of Year</i>	<u>\$9,695,778</u>	<u>\$233,689</u>

See accompanying notes to the basic financial statements

**Gallia County, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2021

	Business-Type Activities	Governmental Activities
	Sewer	Internal Service
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>		
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$1,254,407	\$0
Cash Received from Operating Receipts	0	62,044
Cash Payments for Employee Services and Benefits	(177,639)	(33,305)
Cash Payments to Suppliers for Goods and Services	(624,111)	0
Other Operating Revenues	516,234	0
Other Operating Expenses	(327,306)	0
<i>Net Cash Provided by Operating Activities</i>	641,585	28,739
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Advances In	74,060	0
Advances Out	(197,620)	0
<i>Net Cash Used for Non-Capital Financing Activities</i>	(123,560)	0
<b>Cash Flows from Investing Activities</b>		
Interest Income	1,723	0
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition of Capital Assets	(1,084,251)	0
Proceeds from OPWC Loans	313,632	0
Proceeds of Revenue Bonds	2,500,000	0
Principal Paid on Debt	(255,495)	0
Interest Paid on Debt	(224,533)	0
Capital Contributions	1,617	0
<i>Net Cash Provided by Capital and Related Financing Activities</i>	1,250,970	0
<i>Net Increase in Cash and Cash Equivalents</i>	1,770,718	28,739
<i>Cash and Cash Equivalents at Beginning of Year</i>	848,034	204,950
<i>Cash and Cash Equivalents at End of Year</i>	\$2,618,752	\$233,689
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>		
Operating Income (Loss)	\$282,801	\$19,309
Adjustments:		
Depreciation	338,571	0
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts Receivable	(8,354)	0
Deferred Outflows - Asset Retirement Obligations	14,500	0
Increase (Decrease) in Liabilities:		
Accounts Payable	8,315	0
Accrued Wages Payable	(4,434)	0
Payroll Withholdings Payable	233	0
Intergovernmental Payable	6,627	0
Interfund Payable	(105)	0
Vacation and Other Leave Benefits Payable	3,422	0
Compensated Absences Payable	9	0
<i>Net Cash Provided by Operating Activities</i>	\$641,585	\$19,309

Non-Cash Transactions:

The Sewer Fund had prior year accruals for contracts payable in the amount of \$4,500.

The Sewer Fund has contracts payable for capital assets in the amount of \$476,967.

The Sewer Fund has retainage payable for capital assets in the amount of \$61,484.

See accompanying notes to the basic financial statement:

**Gallia County, Ohio**  
*Statement of Fiduciary Net Position*  
*Custodial Funds*  
*December 31, 2021*

<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$4,460,376
Cash and Cash Equivalents in Segregated Accounts	640,061
Receivables:	
Intergovernmental	2,322,842
Accounts	140,966
Property Taxes	30,688,610
Special Assessments	<u>52,519</u>
<i>Total Assets</i>	<u>38,305,374</u>
<b>Liabilities</b>	
Intergovernmental Payable	2,345,427
Payroll Withholdings Payable	<u>15,520</u>
<i>Total Liabilities</i>	<u>2,360,947</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	<u>30,688,610</u>
<b>Net Position</b>	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$5,255,817</u></u>

See accompanying notes to the basic financial statements

**Gallia County, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Custodial Funds*  
*December 31, 2021*

<b>Additions</b>	
Intergovernmental	\$2,195,312
Amounts Received as Fiscal Agent	9,421,991
Licenses, Permits and Fees for Other Governments	4,559,372
Fines and Forfeitures for Other Governments	122,958
Amounts Collected for Individuals	34,001
Property Tax Collections for Other Governments	29,305,302
Other	755,205
	<u>46,394,141</u>
<i>Total Additions</i>	
<b>Deductions</b>	
Distributions to the State of Ohio	4,278,623
Distributions of State Funds to Other Governments	2,182,178
Distributions as Fiscal Agent	9,143,194
Fines and Forfeitures Distributions to Other Governments	49,573
Property Tax Distributions to Other Governments	28,554,183
Other	616,260
	<u>44,824,011</u>
<i>Total Deductions</i>	
<i>Increase in Fiduciary Net Position</i>	1,570,130
<i>Net Position at Beginning of Year</i>	<u>3,685,687</u>
<i>Net Position at End of Year</i>	<u><u>\$5,255,817</u></u>

See accompanying notes to the basic financial statements

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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**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 unit.

**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 activity during 2021 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 activity in 2021.

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

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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.

***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.

***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. 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. strict'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.

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*Notes to the Basic Financial Statements*  
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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.

*A. Basis of Presentation*

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

***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

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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.

***B. Fund Accounting***

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

***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.



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

***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.

The other governmental funds of the County account for grants and other resources and capital projects, whose use is restricted for 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; for State shared resources received from the State and distributed to other local governments; for federal coronavirus relief funds distributed to other local governments.

***C. Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities 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.

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
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***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 and current liabilities 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 inflows of resources associated with the operation of these funds are included on 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.

*D. Basis of Accounting*

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements 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 basis 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 7). 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 7), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

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*Notes to the Basic Financial Statements*  
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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 represents 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 charge on refunding, pension, and OPEB. The deferred outflows of resources related to asset retirement obligations is 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 charge 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 charge 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, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance fiscal year 2022 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. 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.

***E. Budgetary Process***

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.

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*Notes to the Basic Financial Statements*  
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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 2021 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.

*F. 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 2021, there was \$1,767,977 in cash with fiscal agents. See Note 5 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 2021 amounted to \$207,903, which includes \$191,430 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.

*G. 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.

*H. 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 enterprise funds represent funds held by fiscal agents for bonds issued but not used as of December 31, 2021. Unclaimed monies that are required to be held for five years before they may be utilized by the County are reported as restricted.

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
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*I. 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.

*J. Prepaid Items*

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method. 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.

*K. 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.

*L. 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:

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	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.

*M. 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 and other 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.

*N. 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 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.

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
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*O. 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

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
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amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

*P. Net Position*

Net Position represents the difference between assets and liabilities. 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.

*Q. 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.

*R. 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 non-operating.

*S. 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.



**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
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*T. 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 2021.

*U. 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.

*V. Unearned Revenue*

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The County recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

**NOTE 3 - 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 government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2021

Fund Balances	General Fund	Motor Vehicle Gas Tax	Job and Family Services	Board of Development Disabilities	Jail Project Capital Improvement	Other Governmental Funds	Totals
<b>Nonspendable:</b>							
Inventory	\$0	\$352,481	\$0	\$0	\$0	\$0	\$352,481
Prepays	124,232	13,534	18,392	20,739	0	40,733	217,630
Unclaimed Monies	32,510	0	0	0	0	0	32,510
<b>Total Nonspendable</b>	<b>156,742</b>	<b>366,015</b>	<b>18,392</b>	<b>20,739</b>	<b>0</b>	<b>40,733</b>	<b>602,621</b>
<b>Restricted for:</b>							
Road and Bridge Projects	0	1,854,490	0	0	0	0	1,854,490
Emergency Management Services	0	0	0	0	0	1,549,797	1,549,797
Court Operations	0	0	0	0	0	1,955,210	1,955,210
Real Estate Assessment	0	0	0	0	0	561,597	561,597
Developmental Disabilities	0	0	0	2,312,433	0	0	2,312,433
Job and Family Services	0	0	655,816	0	0	0	655,816
County Jail Project	0	0	0	0	14,519,750	0	14,519,750
Economic Development	0	0	0	0	0	794,427	794,427
Childrens Services Operations	0	0	0	0	0	181,623	181,623
Child Support Services	0	0	0	0	0	1,027,434	1,027,434
Debt Service	0	0	0	0	0	120,585	120,585
Sheriff Operations	0	0	0	0	0	90,649	90,649
Other Purposes	0	0	0	0	0	8,961	8,961
<b>Total Restricted</b>	<b>0</b>	<b>1,854,490</b>	<b>655,816</b>	<b>2,312,433</b>	<b>14,519,750</b>	<b>6,290,283</b>	<b>25,632,772</b>
<b>Committed to:</b>							
Public Safety	65,023	0	0	0	0	0	65,023
Emergency Medical Services	0	0	0	0	0	260,209	260,209
Waste Management	0	0	0	0	0	74,646	74,646
<b>Total Committed</b>	<b>65,023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>334,855</b>	<b>399,878</b>
<b>Assigned to:</b>							
Purchases on Order	51,311	0	0	0	0	0	51,311
Year 2022 Appropriations	1,096,901	0	0	0	0	0	1,096,901
Insurance Claims	107,698	0	0	0	0	0	107,698
<b>Total Assigned</b>	<b>1,255,910</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,255,910</b>
Unassigned:	5,347,041	0	0	0	0	(1,347)	5,345,694
<b>Total Fund Balances</b>	<b>\$6,824,716</b>	<b>\$2,220,505</b>	<b>\$674,208</b>	<b>\$2,333,172</b>	<b>\$14,519,750</b>	<b>\$6,664,524</b>	<b>\$33,236,875</b>

**NOTE 4 - DEFICIT FUND BALANCES**

The following funds had deficit fund balances as of December 31, 2021:

	<u>Deficit</u>
Other Governmental Funds:	
Dog and Kennel	\$1,142
Election Security	205
	<u>\$1,347</u>

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.

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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**NOTE 5 - 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:

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
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Net Change in Fund Balance  
 General and Major Special Revenue Funds

	General	Motor Vehicle Gasoline Tax	Job and Family Services	Board of Developmental Disabilities	Local Fiscal Recovery
GAAP Basis	\$401,270	(\$1,482,998)	\$134,368	\$431,463	\$0
Revenue Accruals	(444,356)	(464,380)	(343,261)	(152,210)	2,626,849
Beginning of the Year:					
Cash with Fiscal Agent	0	0	0	238,920	0
Unrecorded Cash	(77,353)	(29,637)	(22,663)	0	0
Cash in Segregated Accounts	60,200	10,927	9,731	9,895	0
Prepaid Items	116,561	12,207	16,589	18,705	0
Undivided Tax Fund Cash Allocation	50,022	0	0	37,025	0
End of the Year:					
Cash with Fiscal Agent	0	0	0	(216,190)	0
Unrecorded Cash	18,117	12,435	(12,967)	0	0
Cash in Segregated Accounts	(50,341)	(9,129)	(9,263)	(7,446)	0
Prepaid Items	(124,232)	(13,534)	(18,392)	(20,739)	0
Undivided Tax Fund Cash Allocation	(62,164)	0	0	(44,317)	0
Expenditure Accruals	29,313	1,143,515	105,712	47,372	20,600
Advances In	219,145	0	0	0	0
Advances Out	(85,283)	0	0	0	0
To reclassify excess of revenues and other sources of financial resources over expenditures and other uses of financial resources into financial statement fund types	1,407	0	0	0	0
Encumbrances	(178,990)	0	0	(58,450)	0
Budget Basis	<u>(\$126,684)</u>	<u>(\$820,594)</u>	<u>(\$140,146)</u>	<u>\$284,028</u>	<u>\$2,647,449</u>

**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

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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 ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. 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;
8. 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.
9. 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;
10. 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,
11. 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.

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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. During 2021, the County issued Sewer Revenue Bonds as direct placements to the United States Department of Agriculture (USDA). The issuance allows for USDA to hold the revenue bond proceeds until disbursements are required by the County. The balance held by USDA is part of that agency's cash management pool and cannot be classified by risk for the disclosures reported by the County. As of December 31, 2021, the County is reporting \$1,551,787 as cash with fiscal agents for the remaining undistributed revenue bond proceeds held by USDA in the Sewer Fund.

***Cash on Hand*** At year end, the County had \$85,726 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, 2021, consisted of property taxes, sales taxes, special assessments, accrued interest, accounts (billings for user fees including unbilled utility services), loans, intergovernmental receivables arising from entitlements and shared revenues, and interfund. All receivables, except property taxes, special assessments, and a portion of the loan receivable, 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.

***A. Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes were levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

**Gallia County, Ohio**  
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The full tax rate for all County operations for the year ended December 31, 2021, was \$9.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	\$583,317,450
Public Utility Tangible Personal Property	<u>270,602,460</u>
Total Assessed Value	<u><u>\$853,919,910</u></u>

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 represents real and public utility taxes and outstanding delinquencies which were measurable as of December 31, 2021, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2021 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.

*B. Intergovernmental Receivables*

A summary of intergovernmental receivables follows:

<b>Governmental Activities</b>	<u>Amounts</u>
Gas Excise Tax	\$1,836,982
Motor Vehicle License Tax	891,250
FEMA	390,885
S18 Special Education Grant	247,105
Casino Tax	205,368
Homestead and Rollback	165,645
Local Government	164,541
Miscellaneous	160,428
Job & Family Services Reimbursements	104,118
Ohio Department of Rehabilitation and Correction	54,667
Board of Developmental Disabilities Reimbursements	44,454
Title IV-D	26,431
Emergency Management Performance Grant	25,753
Special Education Part B- IDEA	24,649
Sheriff's Department Reimbursements	23,819
Title IV-E	15,998
Victims of Crime Act - Victim Assistance	9,939
Early Childhood Special Education	8,668
Community Housing Impact and Preservation Program	5,340
School Lunch Reimbursement	614
<b>Total Governmental Activities</b>	<u><u>\$4,406,654</u></u>

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
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**NOTE 8 - 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 2021, the General Fund received \$6,285,371 and the 9-1-1 Special Revenue Fund received \$1,321,251 in sales and use tax revenue. A receivable is recognized at year end for amounts that will be received from sales which occurred during 2021.

**NOTE 9 - CAPITAL ASSETS**

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

	Balance at 12/31/20	Additions	Deductions	Balance at 12/31/21
<b>Governmental Activities:</b>				
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	797,218	4,010,609	0	4,807,827
Total Capital Assets not being Depreciated	<u>99,229,448</u>	<u>4,010,609</u>	<u>0</u>	<u>103,240,057</u>
Depreciable Capital Assets:				
Land Improvements	207,921	0	0	207,921
Buildings and Improvements	17,885,569	0	0	17,885,569
Furniture, Fixtures, and Equipment	6,300,515	271,000	(529,266)	6,042,249
Vehicles	4,548,168	235,843	(268,115)	4,515,896
Total Depreciable Capital Assets	<u>28,942,173</u>	<u>506,843</u>	<u>(797,381)</u>	<u>28,651,635</u>
Less Accumulated Depreciation:				
Land Improvements	(125,572)	(5,814)	0	(131,386)
Buildings and Improvements	(7,643,881)	(467,143)	0	(8,111,024)
Furniture, Fixtures, and Equipment	(4,764,148)	(218,277)	529,266	(4,453,159)
Vehicles	(3,140,931)	(324,392)	268,115	(3,197,208)
Total Accumulated Depreciation	<u>(15,674,532)</u>	<u>(1,015,626) *</u>	<u>797,381</u>	<u>(15,892,777)</u>
Total Capital Assets being Depreciated, Net	<u>13,267,641</u>	<u>(508,783)</u>	<u>1,594,762</u>	<u>12,758,858</u>
Governmental Activities Capital Assets, Net	<u>\$112,497,089</u>	<u>\$3,501,826</u>	<u>\$1,594,762</u>	<u>\$115,998,915</u>



**Gallia County, Ohio**  
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\* Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$129,027
Judicial	2,878
Public Safety	292,679
Public Works	186,957
Health	149,395
Human Services	146,219
Economic Development	108,471
Total Depreciation Expense	\$1,015,626

	Balance at 12/31/20	Additions	Deductions	Balance at 12/31/21
<b>Business-Type Activities:</b>				
Capital Assets not being Depreciated:				
Construction in Progress	\$9,854,529	\$1,618,202	\$0	\$11,472,731
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	(4,698,133)	(321,184)	0	(5,019,317)
Furniture, Fixtures, and Equipment	(61,113)	(8,430)	0	(69,543)
Vehicles	(63,598)	(8,957)	0	(72,555)
Total Accumulated Depreciation	(4,822,844)	(338,571)	0	(5,161,415)
Total Capital Assets being Depreciated, Net	8,258,396	(338,571)	0	7,919,825
Business-Type Activities Capital Assets, Net	\$18,112,925	\$1,279,631	\$0	\$19,392,556

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

**NOTE 10 - RISK MANAGEMENT**

*A. 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 2021, the County contracted with the County Risk Sharing Authority, Inc. (CORSA), an insurance purchasing pool (see Note 22A), 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:

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Property	Deductible	Limits of Coverage
Real Property	\$2,500	\$77,782,553
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
Medical Expense:	2,500	5,000/50,000
Employer's Liability (Stop Gap)	2,500	No Annual Aggregate
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	0	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 insurance coverage from the prior year.

*B. Workers' Compensation*

For 2021, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see Note 22B). 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.

*C. 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.

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*Notes to the Basic Financial Statements*  
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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 Liability (Asset)***

The net pension liability (asset) and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. 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 these estimates annually.

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

GASB 68/75 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.

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The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* 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.

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

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

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

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

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the 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

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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), 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.

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

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

	State and Local	Law Enforcement
<b>2021 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	18.1 %
Employee *	10.0 %	**
 <b>2021 Actual Contribution Rates</b>		
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 also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

\*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2021, the County's contractually required contribution was \$1,601,357 for the traditional plan and \$45,177 for the combined plan. Of these amounts, \$57,601 is reported as an intergovernmental payable for the traditional plan and \$1,545 for the combined plan.

***Plan Description - 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

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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 Web site at [www.strsoh.org](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 is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, 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 percent of the 14 percent 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 percent of the 14 percent 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 Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent 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 Combined 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 fifty 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 Combined 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 that 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.

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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 2021 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2021, the full employer contribution was allocated to pension.

The County’s contractually required contribution to STRS was \$80,246 for 2021. Of this amount \$2,638 is reported as an intergovernmental payable.

***Pension Liabilities, Pension Expense, 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, 2020, and the net pension liability for STRS was measured as of June 30, 2021. 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:

	<u>OPERS</u> <u>Traditional Plan</u>	<u>OPERS</u> <u>Combined Plan</u>	<u>STRS</u>	
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.07611325%	0.07667680%	0.00455398%	
Prior Measurement Date	<u>0.07554384%</u>	<u>0.07461642%</u>	<u>0.00442740%</u>	
Change in Proportionate Share	<u>0.00056941%</u>	<u>0.00206038%</u>	<u>0.00012658%</u>	
				<u>Total</u>
Proportionate Share of the:				
Net Pension Asset	\$0	(\$221,338)	\$0	(\$221,338)
Net Pension Liability	11,270,715	0	582,267	11,852,982
Pension Expense	350,678	4,465	(51,101)	304,042

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



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	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$0	\$0	\$17,989	\$17,989
Changes of assumptions	0	13,823	161,532	175,355
Changes in proportion and differences between County contributions and proportionate share of contributions	78,405	205	81,479	160,089
County contributions subsequent to the measurement date	<u>1,601,357</u>	<u>45,177</u>	<u>40,635</u>	<u>1,687,169</u>
Total Deferred Outflows of Resources	<u>\$1,679,762</u>	<u>\$59,205</u>	<u>\$301,635</u>	<u>\$2,040,602</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$471,466	\$41,757	\$3,650	\$516,873
Net difference between projected and actual earnings on pension plan investments	4,392,995	32,917	501,803	4,927,715
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>15,433</u>	<u>10,651</u>	<u>10,293</u>	<u>36,377</u>
Total Deferred Inflows of Resources	<u>\$4,879,894</u>	<u>\$85,325</u>	<u>\$515,746</u>	<u>\$5,480,965</u>

\$1,687,169 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 increase to the net pension asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Year Ending December 31:				
2022	(\$1,817,903)	(\$17,416)	(\$63,041)	(\$1,898,360)
2023	(593,710)	(11,636)	(39,758)	(645,104)
2024	(1,790,734)	(19,226)	(57,312)	(1,867,272)
2025	(599,142)	(9,784)	(94,635)	(703,561)
2026	0	(5,089)	0	(5,089)
Thereafter	<u>0</u>	<u>(8,146)</u>	<u>0</u>	<u>(8,146)</u>
Total	<u>(\$4,801,489)</u>	<u>(\$71,297)</u>	<u>(\$254,746)</u>	<u>(\$5,127,532)</u>

***Actuarial Assumptions - OPERS***

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

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Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
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 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	.5 percent, simple through 2021, then 2.15 percent, simple	.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

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.

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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

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

**Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
<b>County's proportionate share of the net pension liability (asset)</b>			
OPERS Traditional Plan	\$21,498,949	\$11,270,715	\$2,765,956
OPERS Combined Plan	(154,120)	(221,338)	(271,436)

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

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2021, actuarial valuation compared to those used in the June 30, 2020, actuarial valuation are presented below:

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	June 30, 2021	June 30, 2020
Inflation	2.50 percent	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	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	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.45 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017

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, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
Domestic Equity	28.00%	7.35%
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00%</u>	

\* 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, 2021, and was 7.45 percent as of June 30, 2020. 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

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payments to current plan members as of June 30, 2021. 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, 2021.

***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	\$1,090,369	\$582,267	\$152,923

***Changes Between the Measurement Date and the Reporting date*** In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

See Note 11 for a description of the net OPEB liability

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

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, 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.

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

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$4,976 for 2021. Of this amount, \$171 is reported as an intergovernmental payable.

***Plan Description - 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](http://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 post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the year ended December 31, 2021, STRS did not allocate any employer contributions to post-employment health care.

***OPEB Liabilities, OPEB Expense, 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, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. For STRS, the net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial valuation as of that date. The County's proportion of the net OPEB liability (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:

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	<u>OPERS</u>	<u>STRS</u>	
Proportion of the Net OPEB Liability/Asset:			
Prior Measurement Date	0.07345410%	0.00442740%	
Current Measurement Date	<u>0.07412935%</u>	<u>0.00455398%</u>	
Change in Proportionate Share	<u>0.00067525%</u>	<u>0.00012658%</u>	
			<u>Total</u>
Proportionate Share of the Net:			
OPEB Asset	(\$1,320,674)	(\$96,017)	(\$1,416,691)
OPEB Expense	(7,917,427)	(7,954)	(7,925,381)

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

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$0	\$3,419	\$3,419
Changes of assumptions	649,257	6,133	655,390
Changes in proportionate Share and difference between County contributions and proportionate share of contributions	58,827	1,660	60,487
County contributions subsequent to the measurement date	<u>4,976</u>	<u>0</u>	<u>4,976</u>
Total Deferred Outflows of Resources	<u>\$713,060</u>	<u>\$11,212</u>	<u>\$724,272</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$1,191,902	\$17,592	\$1,209,494
Changes of assumptions	2,139,887	57,281	2,197,168
Net difference between projected and actual earnings on OPEB plan investments	703,409	26,614	730,023
Changes in Proportionate Share and Difference between County contributions and proportionate share of contributions	<u>9,341</u>	<u>4,771</u>	<u>14,112</u>
Total Deferred Inflows of Resources	<u>\$4,044,539</u>	<u>\$106,258</u>	<u>\$4,150,797</u>

\$4,976 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 the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:



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	OPERS	STRS	Total
Fiscal Year Ending June 30:			
2022	(\$1,740,417)	(\$27,472)	(\$1,767,889)
2023	(1,207,480)	(26,806)	(1,234,286)
2024	(305,673)	(26,393)	(332,066)
2025	(82,885)	(10,776)	(93,661)
2026	0	(3,694)	(3,694)
Thereafter	0	95	95
Total	(\$3,336,455)	(\$95,046)	(\$3,431,501)

***Actuarial Assumptions - OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are

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

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

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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

**Discount Rate** A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

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***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	(\$328,393)	(\$1,320,674)	(\$2,136,408)

***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 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	(\$1,352,861)	(\$1,320,674)	(\$1,284,662)

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

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the June 30, 2021, actuarial valuation and the June 30, 2020 actuarial valuation are presented below:

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	June 30, 2021	June 30, 2020
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	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	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.45 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	5.00 percent initial, 4 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-16.18 percent initial, 4 percent ultimate	-6.69 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	6.50 percent initial, 4 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	29.98 initial, 4 percent ultimate	11.87 initial, 4 percent ultimate

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

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, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. 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 CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. 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, 2021. 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, 2021.

**Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** The following table represents the net OPEB asset as of June 30, 2021, 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)

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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	(\$81,023)	(\$96,017)	(\$108,542)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	(\$108,034)	(\$96,017)	(\$81,156)

***Changes Between the Measurement Date and the Reporting date*** In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability is unknown.

**NOTE 13 - OTHER EMPLOYER BENEFITS**

***A. 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.

***B. 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.

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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.

*C. Insurance Benefits*

In 2021, 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**

*A. Contractual Commitments*

As of December 31, 2021, the County had contractual purchase commitments as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 12/31/2021
<b>Governmental Activities:</b>				
Contractual Services:				
Gallia County Jail Project	Jail Project Capital Improvement	\$19,220,826	\$4,791,779	\$14,429,047
Board of DD Roof	Board of DD	19,200	16,048	3,152
Total Governmental Activities		<u>19,240,026</u>	<u>4,807,827</u>	<u>14,432,199</u>
<b>Business-Type Activities:</b>				
Green Sewer Improvements	Sewer	17,257,825	11,472,731	5,785,094
Total Contractual Commitments		<u>\$36,497,851</u>	<u>\$16,280,558</u>	<u>\$20,217,293</u>

*B. 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	\$178,990
Board of Developmental Disabilities	58,450
Nonmajor Governmental Funds	<u>98,409</u>
Total	<u>\$335,849</u>

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**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 - 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 17 - INTERFUND TRANSFERS AND BALANCES**

Interfund balances, as of December 31, 2021, consist of the following individual interfund receivables and payables:

	Interfund Receivable					
	Major Funds					Total
	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Board of Developmental Disabilities	Other Governmental Funds	
Interfund Payable						
Major Funds:						
General	\$0	\$35,496	\$0	\$708	\$5,510	\$41,714
Motor Vehicle Gasoline Tax	\$26,888	\$0	\$0	\$0	\$0	\$26,888
Job and Family Services	36,785	0	0	0	22,466	59,251
Board of Developmental Disabilities	41,478	0	0	0	150	41,628
Jail Project Capital Improvement Fund	1,000,000		0	0	0	1,000,000
Sewer Enterprise Fund	180,430	0	0	0	0	180,430
Other Governmental Funds	107,384	0	319,178	150	66,956	493,668
	<u>\$1,392,965</u>	<u>\$35,496</u>	<u>\$319,178</u>	<u>\$858</u>	<u>\$95,082</u>	<u>\$1,843,579</u>

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.

Interfund transfers for the year ended December 31, 2021, consisted of the following:

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<u>Transfer Out</u>	Transfer In		<u>Total</u>
	Major Fund		
	Job and Family Services	Other Governmental Funds	
Major Funds:			
General	\$77,661	\$1,427,194	\$1,504,855

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.

**NOTE 18 - CAPITAL LEASES - LESSEE DISCLOSURE**

In 2021, the County did not enter into any new leases. In prior years, the County entered into agreements to lease copiers; an excavator; graders; trucks and equipment; and six vehicles for the Sheriff's office. Such agreements are, in substance, lease purchases and are reflected as capital lease obligations in the financial statements. Capital lease payments are reflected as debt service expenditures on the statement of revenues, expenditures, and changes in fund balance for the governmental funds.

Equipment acquired by leases has been capitalized in the government wide statements for governmental activities in the amount of \$1,736,020, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government wide statements for governmental activities. Governmental activities capitalized leased assets are reflected net of accumulated depreciation for a book value of \$1,258,113 as of December 31, 2021. Principal payments for all capital leases during 2021 totaled \$272,830 for governmental activities.

Future minimum lease payments through 2028 are as follows:

Year	Governmental Activities	
	Principal	Interest
2022	\$278,103	\$23,213
2023	284,134	17,183
2024	231,938	11,005
2025	43,228	6,387
2026	44,743	4,872
2027-2028	94,247	4,983
Total	\$976,393	\$67,643

**NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS**

*A. 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.



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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 2021.

*B. Gallia-Jackson-Meigs Counties Board of Alcohol, Drug Addiction, 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 2021, the County made no payments to the Board.

*C. 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.

*D. 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 2021, the County made no contributions to the Ohio Valley Resource Conservation and Development Area, Inc.

*E. 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

**Gallia County, Ohio**  
*Notes to the Basic Financial Statements*  
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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 2021, the County paid \$224,209 to the Agency for services provided to the County.

*F. 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.

*G. 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 2021, the County paid \$5,681 to the Ohio Valley Regional Development Commission for membership.

*H. 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, 2021, the County had a \$234,108 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

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from the Council at 43 N. Paint St., Chillicothe, Ohio 45601.

*J. 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**

*A. 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 \$8,754 in 2021. 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.

*B. 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.

*C. 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**

*A. County Risk Sharing Authority, Inc. (CORSA)*

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among fifty-five

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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 2021 was \$185,000.

*B. 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 and each elected member shall be a County Commissioner.

**NOTE 22 - 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, 2021, the total amount of loans outstanding was \$222,195. 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.

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**NOTE 23 - LONG-TERM OBLIGATIONS**

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

	Principal Outstanding 12/31/20	Additions	Deductions	Principal Outstanding 12/31/21	Amounts Due in One Year
<b>Governmental Activities:</b>					
General Obligation Bonds					
<i>Direct Placements:</i>					
2020 Jail Improvement, Series 2020A:					
Serial Bonds - 3.00-4.00%	\$1,220,000	\$0	\$215,000	\$1,005,000	\$115,000
Term Bonds - 2.125-3.000%	6,580,000	0	0	6,580,000	0
Premium on Bonds	255,180	0	0	255,180	0
2020 Jail Improvement, Series 2020B:					
Serial Bonds - 3.00-4.00%	1,200,000	0	170,000	1,030,000	90,000
Term Bonds - 2.000-3.000%	3,800,000	0	0	3,800,000	0
Premium on Bonds	223,301	0	0	223,301	0
County Jail Improvement Bonds, Series 2021					
Serial Bonds - 3.00-4.00%	0	940,000	205,000	735,000	65,000
Term Bonds - 2.000-3.000%	0	6,215,000	0	6,215,000	0
Premium on Bonds	0	206,859	0	206,859	0
<i>Direct Borrowings:</i>					
2006 Early Childhood and Family					
Center - 4.45%	1,028,411	0	1,028,411	0	0
2011 Davis Lot Land - 4.50%	104,906	0	104,906	0	0
2012 JFS Building - 3.375%	569,000	0	569,000	0	0
2020 Workshop Renovation - 3.00%	700,000	0	25,000	675,000	30,000
Various Purpose Refunding Bonds Series 2021					
County Building - Term Bonds 4.450%	0	1,000,000	0	1,000,000	59,000
Parking Lot - Term Bonds - 4.500%	0	99,000	0	99,000	9,000
County Building - Term Bonds 3.375%	0	561,000	0	561,000	33,000
<b>Total General Obligation Bonds</b>	<b>15,680,798</b>	<b>9,021,859</b>	<b>2,317,317</b>	<b>22,385,340</b>	<b>401,000</b>
OPWC Loans					
<i>From Direct Borrowings:</i>					
2013 OPWC Road Improvements					
Loan - 0.00%	34,007	0	22,671	11,336	11,336
2015 OPWC Road Improvements					
Loan - 0.00%	61,583	0	2,324	59,259	1,162
2019 OPWC Road Improvements					
Loan - 0.00%	32,775	0	1,724	31,051	862
<b>Total OPWC Loans</b>	<b>128,365</b>	<b>0</b>	<b>26,719</b>	<b>101,646</b>	<b>13,360</b>
Net Pension Liability:					
OPERS	14,931,753	0	3,661,038	11,270,715	0
STRS	1,071,273	0	489,006	582,267	0
<b>Total Net Pension Liability</b>	<b>16,003,026</b>	<b>0</b>	<b>4,150,044</b>	<b>11,852,982</b>	<b>0</b>
Net OPEB Liability:					
OPERS	10,145,919	0	10,145,919	0	0
Capital Leases	1,249,223	0	272,830	976,393	278,103
Compensated Absences	376,929	33,694	8,707	401,916	0
<b>Total Governmental Activities</b>	<b>\$43,584,260</b>	<b>\$9,055,553</b>	<b>\$16,921,536</b>	<b>\$35,718,277</b>	<b>\$692,463</b>

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	Principal Outstanding 12/31/20	Additions	Deductions	Principal Outstanding 12/31/21	Amounts Due in One Year
<b>Business-Type Activities:</b>					
OWDA Loans					
<i>From Direct Borrowings</i>					
2009 Kanauga/Addison Sewer - 0.00%	\$189,000	\$0	\$18,000	\$171,000	\$9,000
2009 Mercerville Sewer - 0.00%	110,193	0	11,600	98,593	5,800
2011 Kanauga/Addison Sewer - 1.00%	388,659	0	15,485	373,174	7,801
2015 Green Sewer - 3.15%	1,432,559	0	35,276	1,397,283	18,056
Total OWDA Loans					
From Direct Borrowings	2,120,411	0	80,361	2,040,050	40,657
Revenue Bonds					
<i>From Direct Placements</i>					
2000 USDA Sewer Revenue Bonds - 4.50%	1,375,000	0	43,800	1,331,200	45,800
2013 USDA Sewer Revenue Bonds - 3.125%	1,722,500	0	30,600	1,691,900	31,500
2015 USDA Sewer Revenue Bonds - 2.000%	2,920,500	0	58,400	2,862,100	59,600
2021 USDA Sewer Revenue Bonds - 2.125%		1,613,000	0	1,613,000	0
2021 USDA Sewer Revenue Bonds - 1.375%		887,000	0	887,000	0
Total Revenue Bonds					
From Direct Placements	6,018,000	2,500,000	132,800	8,385,200	136,900
OPWC Loans					
<i>From Direct Borrowings</i>					
2002 OPWC Bidwell Porter Sewer - 0.00%	23,000	0	11,500	11,500	5,750
2008 OPWC Kanauga/Addison Sewer - 0.00%	254,583	0	10,834	243,749	5,416
2021 OPWC Green Sewer 2 - 0.00%	0	313,632	0	313,632	0
2014 OPWC Green Sewer - 0.00%	550,000	0	20,000	530,000	10,000
Total OPWC Loans					
From Direct Borrowings	827,583	313,632	42,334	1,098,881	21,166
Compensated Absences	8,632	9	0	8,641	0
Asset Retirement Obligations	580,000	0	0	580,000	0
Total Business-Type Activities	\$9,554,626	\$2,813,641	\$255,495	\$12,112,772	\$198,723

A. Governmental Activities

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.

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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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

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<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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 at December 31, 2021, are as follows:



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Year Ended December 31,	Principal	Interest
2022	\$115,000	\$214,931
2023	115,000	211,481
2024	115,000	208,032
2025	100,000	204,581
2026	100,000	201,582
2027-2031	605,000	943,306
2032-2036	800,000	827,656
2037-2041	915,000	716,012
2042-2046	1,025,000	607,063
2047-2051	1,155,000	475,250
2052-2056	1,330,000	303,450
2057-2060	1,210,000	91,950
	\$7,585,000	\$5,005,294

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:

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<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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

**Gallia County, Ohio**  
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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 at December 31, 2021, are as follows:

Year Ended December 31,	Principal	Interest
2022	\$90,000	\$135,613
2023	100,000	132,913
2024	105,000	129,912
2025	125,000	126,763
2026	130,000	123,012
2027-2031	565,000	552,163
2032-2036	470,000	465,363
2037-2041	530,000	406,612
2042-2046	595,000	344,581
2047-2051	665,000	270,838
2052-2056	765,000	173,400
2057-2060	690,000	52,500
	\$4,830,000	\$2,913,670

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 at December 31, 2021, are as follows:

Year Ended December 31,	Principal	Interest
2022	\$30,000	\$20,531
2023	25,000	19,169
2024	30,000	18,910
2025	30,000	17,946
2026	30,000	17,033
2027-2031	165,000	71,065
2032-2036	190,000	44,457
2037-2040	175,000	13,539
	\$675,000	\$222,650

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.

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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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

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<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
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 at December 31, 2021, are as follows:

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Year Ended December 31,	Principal	Interest
2022	\$65,000	\$194,494
2023	65,000	192,544
2024	65,000	190,594
2025	70,000	188,644
2026	75,000	185,844
2027-2031	535,000	876,219
2032-2036	740,000	771,019
2037-2041	855,000	653,478
2042-2046	975,000	527,469
2047-2051	1,110,000	398,719
2052-2056	1,255,000	250,818
2057-2060	1,140,000	75,731
	<u>\$6,950,000</u>	<u>\$4,505,573</u>

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 2011 Davis 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 Outstanding 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)

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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:

<u>Redemption Date</u> (December 1)	<u>Principal Amount</u> to be Redeemed
2022	101,000
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 at December 31, 2021, are as follows:

Year Ended December 31,	ECFS (2006) County Building Refunding		Parking Lot Refunding		JFS (2012) County Building Refunding		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$59,000	\$17,451	\$9,000	\$1,728	\$33,000	\$9,790	\$101,000	\$28,969
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
2027-2031	332,000	49,420	52,000	2,783	187,000	27,702	571,000	79,905
2032-2036	363,000	19,285	0	0	203,000	10,780	566,000	30,065
	\$1,000,000	\$145,656	\$99,000	\$9,848	\$561,000	\$81,645	\$1,660,000	\$237,149

The County's outstanding general obligation bonds from direct borrowings and direct placements related to governmental activities of \$22,385,340 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 will be due January 1 and July 1 of each year through

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2022. The loan will be retired from Motor Vehicle Gasoline Tax Fund. Principal requirements to retire the OPWC Road Improvements Loan at December 31, 2021, are as follows:

Year Ended December 31,	Principal
2022	<u>\$11,336</u>

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 from Motor Vehicle Gasoline Tax Fund. Principal requirements to retire the OPWC Road Improvements Loan at December 31, 2021, are as follows:

Year Ended December 31,	Principal
2022	\$1,162
2023	2,324
2024	2,324
2025	2,324
2026	2,324
2027-2031	11,619
2032-2036	11,619
2037-2041	11,620
2042-2046	11,619
2047	2,324
	<u>\$59,259</u>

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 Motor Vehicle Gasoline Tax Fund. Principal requirements to retire the OPWC Road Improvements Loan at December 31, 2021, are as follows:

Year Ended December 31,	Principal
2022	\$862
2023	1,725
2024	1,725
2025	1,725
2026	1,725
2027-2031	8,625
2032-2036	8,625
2037-2040	6,039
	<u>\$31,051</u>

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



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Management System, and Community Development Block Grant Special Revenue Funds; and the Sewer Enterprise Funds. Capital lease obligations are paid from intergovernmental grant revenues from the Motor Vehicle Gas Tax and Community Development Block Grant Special Revenue Funds, sales tax revenues from the Emergency Management Agency Special Revenue Fund, and general property tax revenues in the General 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.

**B. 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, 2020, \$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 at December 31, 2021, are as follows:

Year Ended December 31,	Principal
2022	\$9,000
2023	18,000
2024	18,000
2025	18,000
2026	18,000
2027-2031	90,000
	<u>\$171,000</u>

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, 2020, \$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 at December 31, 2021, are as follows:

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Year Ended December 31,	Principal
2022	\$5,800
2023	11,599
2024	11,599
2025	11,599
2026	11,599
2027-2030	46,397
	<u>\$98,593</u>

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 at December 31, 2021, are as follows:

Year Ended December 31,	Principal	Interest	Total
2022	\$7,801	\$1,866	\$9,667
2023	15,718	3,615	19,333
2024	15,876	3,457	19,333
2025	16,034	3,297	19,331
2026	16,196	3,137	19,333
2027-2031	83,447	13,217	96,664
2032-2036	87,714	8,950	96,664
2037-2041	92,200	4,464	96,664
2042-2043	38,188	478	38,665
	<u>\$373,174</u>	<u>\$42,481</u>	<u>\$415,654</u>

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 at December 31, 2021, are as follows:

Year Ended December 31,	Principal	Interest	Total
2022	\$18,056	\$22,007	\$40,063
2023	36,969	43,157	80,126
2024	38,142	41,983	80,125
2025	39,354	40,772	80,126
2026	40,603	39,523	80,126
2027-2031	223,190	177,440	400,630
2032-2036	260,941	139,688	400,629
2037-2041	305,078	95,551	400,629
2042-2046	356,680	43,949	400,629
2047	78,271	1,854	80,125
	<u>\$1,397,284</u>	<u>\$645,924</u>	<u>\$2,043,208</u>

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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 are 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. Principal and interest requirements to retire the Sewer Enterprise Fund's bonds outstanding at December 31, 2021, are as follows:

Year Ended December 31,	Principal	Interest	Total
2022	\$45,800	\$59,904	\$105,704
2023	47,800	57,843	105,643
2024	50,100	55,692	105,792
2025	52,300	53,437	105,737
2026	54,500	51,084	105,584
2027-2031	312,400	216,279	528,679
2032-2036	389,100	139,397	528,497
2037-2040	379,200	43,601	422,801
	<u>\$1,331,200</u>	<u>\$677,237</u>	<u>\$2,008,437</u>

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. Principal and interest requirements to retire the Sewer Enterprise Fund's bonds outstanding at December 31, 2021, are as follows:

Year Ended December 31,	Principal	Interest	Total
2022	\$31,500	\$52,872	\$84,372
2023	32,500	51,888	84,388
2024	33,600	50,872	84,472
2025	34,500	49,822	84,322
2026	35,700	48,744	84,444
2027-2031	195,700	226,284	421,984
2032-2036	228,300	193,734	422,034
2037-2041	266,200	155,765	421,965
2042-2046	310,500	111,484	421,984
2047-2051	362,200	59,841	422,041
2052-2053	161,200	7,594	168,794
	<u>\$1,691,900</u>	<u>\$1,008,900</u>	<u>\$2,700,800</u>

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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 at December 31, 2021, are as follows:

Year Ended December 31,	Principal	Interest	Total
2022	\$59,600	\$57,242	\$116,842
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
2027-2031	342,300	241,778	584,078
2032-2036	378,000	206,146	584,146
2037-2041	417,400	166,808	584,208
2042-2046	460,700	123,368	584,068
2047-2051	508,800	75,412	584,212
2052-2055	444,800	22,460	467,260
	\$2,862,100	\$1,110,026	\$3,972,126

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. During 2021, the County received a disbursement of \$1,563,044. The remaining unspent proceeds of \$936,956 is being held by USDA as fiscal agent. These proceeds are intended to finance the remainder of the project. On a budgetary basis, the proceeds of the refunding portion of the revenue bonds that were disbursed, are reflected as revenues. However, on a GAAP basis, the remaining undisbursed proceeds are reflected in the restricted fiscal agent account with a corresponding liability for revenue bonds payable on the Statement of Net Position. Principal requirements to retire the liability, once fully drawn, are as follows:

Year Ended December 31,	Principal
2022	\$0
2023	48,900
2024	49,500
2025	50,200
2026	51,000
2027-2031	265,200
2032-2036	284,100
2037-2041	304,100
2042-2046	325,600
2047-2051	348,600
2052-2056	373,200
2057-2061	399,600
	\$2,500,000

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

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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 are 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 will be retired from Sewer Enterprise Fund revenue. Principal and interest requirements to retire the County's Bidwell Porter Sewer OPWC Loan outstanding at December 31, 2021, are as follows:

Year Ended December 31,	Principal
2022	\$5,750
2023	5,750
	<u>\$11,500</u>

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 to expand 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 at December 31, 2021, are as follows:

Year Ended December 31,	Principal
2022	\$5,416
2023	10,833
2024	10,833
2025	10,833
2026	10,833
2027-2031	54,167
2032-2036	54,167
2037-2041	54,167
2042-2044	32,500
	<u>\$243,749</u>

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 at December 31, 2021, are as follows:

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Year Ended December 31,	Principal
2022	\$10,000
2023	20,000
2024	20,000
2025	20,000
2026	20,000
2027-2031	100,000
2032-2036	100,000
2037-2041	100,000
2042-2046	100,000
2047-2048	40,000
	<u>\$530,000</u>

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.

*C. Pledged Revenue*

The County has pledged future customer revenues, net of specified operating expenses, to repay \$8,385,200 in revenue bonds issued from 2001 to 2021 and \$2,040,050 in OWDA loans issued from 2009 to 2021. 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 \$11,181,363. The total principal and interest outstanding to be paid on the OWDA loans are \$2,728,457. Principal and interest payments for the current year were \$307,020 for the revenue bonds and \$129,057 for the OWDA loans. Net revenues were \$108,453 and total revenues were \$1,266,076.

*D. 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 \$17,411,352 and the unvoted debt margin was \$6,102,553 at December 31, 2021.

*E. Conduit Debt*

Pursuant to State statute, 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, 2021, \$158,155,000 of industrial revenue bonds had been issued, and \$140,330,000 of those remained outstanding.

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**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 2 to 37 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 continues. During 2021, 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 emergency funding, either federal or state, cannot be estimated.

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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 the 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.

<u>Surface Rating</u>	<u>Condition Rating</u>	<u>Description</u>
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 roadway system where at least 85% of the roadways will have a rating of '3 - Fair' or better.

**Bridges and Large Culverts**

All bridges and large culverts are inspected on an annual basis, as required by ORC. The rating system used was developed by FHWA, and entails the inspection of all components of the structure, as described in the following system.



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<u>Structure Rating</u>	<u>Condition Rating</u>	<u>Description</u>
9	Excellent	Superior to current desirable criteria.
8	Very Good	Equal to current desirable criteria.
7	Good	Better than current minimum criteria.
6	Satisfactory	Equal to current desirable criteria.
5	Fair	Low priority for repair.
4	Poor	High priority for repair.
3	Serious	Low priority for replacement.
2	Critical	High priority for replacement.
1	Imminent Failure	Immediate repair/replacement necessary.
0	Closed	Bridge closed.

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, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013.

**ROAD CONDITION 2021**

CONDITION DESCRIPTION	ROAD CONDITION	LENGTH MILES	AREA SQ. FT.	% OF ROADS	PERCENT ACCUM.
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.

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**ROAD CONDITION 2020**

CONDITION DESCRIPTION	ROAD CONDITION	LENGTH MILES	AREA SQUARE FEET	% OF ROADS	PERCENT ACCUMULATION
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	18.39%	99.98%
DEFICIENT	4	0.09	6,652.80	0.02%	100.00%
POOR	5	0.00	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 2019**

CONDITION DESCRIPTION	ROAD CONDITION	LENGTH MILES	AREA SQUARE FEET	% OF ROADS	PERCENT ACCUMULATION
EXCELLENT	1	214.67	19,601,271.36	47.68%	47.68%
GOOD	2	191.45	16,974,075.36	41.29%	88.97%
FAIR	3	47.71	4,525,878.72	11.01%	99.98%
DEFICIENT	4	0.09	6,652.80	0.02%	100.00%
POOR	5	0.00	0.00	0.00%	100.00%
TOTALS		453.92	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 2018**

CONDITION DESCRIPTION	ROAD CONDITION	LENGTH MILES	AREA SQUARE FEET	% OF ROADS	PERCENT ACCUMULATION
EXCELLENT	1	256.14	23,704,750.08	57.54%	57.54%
GOOD	2	187.29	16,425,948.00	39.86%	97.40%
FAIR	3	11.50	1,063,201.92	2.58%	99.98%
DEFICIENT	4	0.09	6,652.80	0.02%	100.00%
POOR	5	0.00	0.00	0.00%	100.00%
TOTALS		455.02	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.

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**ROAD CONDITION 2017**

CONDITION DESCRIPTION	ROAD CONDITION	LENGTH MILES	AREA SQUARE FEET	% OF ROADS	PERCENT ACCUMULATION
EXCELLENT	1	247.70	22,982,636.16	55.80%	55.80%
GOOD	2	195.56	17,133,763.68	41.60%	97.40%
FAIR	3	11.50	1,063,201.92	2.58%	99.98%
DEFICIENT	4	0.09	6,652.80	0.02%	100.00%
POOR	5	0.00	0.00	0.00%	100.00%
TOTALS		454.85	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 in 2017.

**ROAD CONDITION 2016**

CONDITION DESCRIPTION	ROAD CONDITION	LENGTH MILES	AREA SQUARE FEET	% OF ROADS	PERCENT ACCUMULATION
EXCELLENT	1	236.34	21,983,781.60	53.38%	53.38%
GOOD	2	211.08	18,530,445.12	44.99%	98.37%
FAIR	3	7.35	665,375.04	1.62%	99.98%
DEFICIENT	4	0.09	6,652.80	0.02%	100.00%
POOR	5	0.00	0.00	0.00%	100.00%
TOTALS		454.85	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 in 2016.

**ROAD CONDITION 2015**

CONDITION DESCRIPTION	ROAD CONDITION	LENGTH MILES	AREA SQUARE FEET	% OF ROADS	PERCENT ACCUMULATION
EXCELLENT	1	229.59	21,353,655.84	51.85%	51.85%
GOOD	2	217.82	19,160,000.64	46.52%	98.37%
FAIR	3	7.35	665,375.04	1.62%	99.98%
DEFICIENT	4	0.09	6,652.80	0.02%	100.00%
POOR	5	0.00	0.00	0.00%	100.00%
TOTALS		454.85	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 in 2015.

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**ROAD CONDITION 2014**

CONDITION DESCRIPTION	ROAD CONDITION	LENGTH MILES	AREA SQUARE FEET	% OF ROADS	PERCENT ACCUMULATION
EXCELLENT	1	212.90	19,872,552.48	48.25%	48.25%
GOOD	2	234.52	20,641,104.00	50.12%	98.37%
FAIR	3	7.35	665,375.04	1.62%	99.98%
DEFICIENT	4	0.09	6,652.80	0.02%	100.00%
POOR	5	0.00	0.00	0.00%	100.00%
TOTALS		454.85	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 in 2014.

**ROAD CONDITION 2013**

CONDITION DESCRIPTION	ROAD CONDITION	LENGTH MILES	AREA SQUARE FEET	% OF ROADS	PERCENT ACCUMULATION
EXCELLENT	1	203.80	18,880,398.24	45.84%	45.84%
GOOD	2	241.05	21,404,570.88	51.97%	97.81%
FAIR	3	9.91	894,062.40	2.17%	99.98%
DEFICIENT	4	0.09	6,652.80	0.02%	100.00%
POOR	5	0.00	0.00	0.00%	100.00%
TOTALS		454.85	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 in 2013.

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

Percentage of Miles in Fair or Better Condition								
2021	2020	2019	2018	2017	2016	2015	2014	2013
99.98%	99.98%	99.98%	99.98%	99.98%	99.98%	99.98%	99.98%	99.98%

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**BRIDGE CONDITION 2021**

<b>CONDITION DESCRIPTION</b>	<b>BRIDGE CONDITION (GA)</b>	<b># OF BRIDGES</b>	<b>% OF BRIDGES</b>	<b>PERCENT ACCUM.</b>
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%	99.63%
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		274	100.00%	

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

**BRIDGE CONDITION 2020**

<b>CONDITION DESCRIPTION</b>	<b>BRIDGE CONDITION (GA)</b>	<b># OF BRIDGES</b>	<b>% OF BRIDGES</b>	<b>PERCENT ACCUMULATION</b>
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%	60.80%
FAIR	5	89	32.60%	93.40%
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%	100.00%

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

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**BRIDGE CONDITION 2019**

<b>CONDITION DESCRIPTION</b>	<b>BRIDGE CONDITION (GA)</b>	<b># OF BRIDGES</b>	<b>% OF BRIDGES</b>	<b>PERCENT ACCUMULATION</b>
EXCELLENT	9	3	1.10%	1.10%
VERY GOOD	8	20	7.33%	8.43%
GOOD	7	47	17.21%	25.64%
SATISFACTORY	6	96	35.16%	60.80%
FAIR	5	89	32.60%	93.40%
POOR	4	16	5.86%	99.26%
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%	100.00%

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

**BRIDGE CONDITION 2018**

<b>CONDITION DESCRIPTION</b>	<b>BRIDGE CONDITION (GA)</b>	<b># OF BRIDGES</b>	<b>% OF BRIDGES</b>	<b>PERCENT ACCUMULATION</b>
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%	100.00%

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

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**RIDGE CONDITION 2017**

<b>CONDITION DESCRIPTION</b>	<b>BRIDGE CONDITION (GA)</b>	<b># OF BRIDGES</b>	<b>% OF BRIDGES</b>	<b>PERCENT ACCUMULATION</b>
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%	58.84z%
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 in 2017.

**BRIDGE CONDITION 2016**

<b>CONDITION DESCRIPTION</b>	<b>BRIDGE CONDITION (GA)</b>	<b># OF BRIDGES</b>	<b>% OF BRIDGES</b>	<b>PERCENT ACCUMULATION</b>
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 in 2016.

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**BRIDGE CONDITION 2015**

<b>CONDITION DESCRIPTION</b>	<b>BRIDGE CONDITION (GA)</b>	<b># OF BRIDGES</b>	<b>% OF BRIDGES</b>	<b>PERCENT ACCUMULATION</b>
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 in 2015.

**BRIDGE CONDITION 2014**

<b>CONDITION DESCRIPTION</b>	<b>BRIDGE CONDITION (GA)</b>	<b># OF BRIDGES</b>	<b>% OF BRIDGES</b>	<b>PERCENT ACCUMULATION</b>
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 in 2014.



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**BRIDGE CONDITION 2013**

CONDITION DESCRIPTION	BRIDGE CONDITION (GA)	# OF BRIDGES	% OF BRIDGES	PERCENT ACCUMULATION
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 in 2013.

A comparison of total bridge conditions for 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, in terms of percentage of bridge structures is presented below.

Percentage of Bridge Structures in Fair or Better Condition

2021	2020	2019	2018	2017	2016	2015	2014	2013
91.97%	93.40%	93.40%	93.84%	93.14%	93.14%	91.34%	90.25%	89.17%

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

Year	Budgeted	Actual	Difference
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, Ohio**  
*Required Supplementary Information*  
*Schedule of the County's Proportionate Share of the Net Pension Liability*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Eight Years (1)*

	2021	2020	2019	2018
County's Proportion of the Net Pension Liability	0.07611325%	0.07554384%	0.07587183%	0.07427973%
County's Proportionate Share of the Net Pension Liability	\$11,270,715	\$14,931,753	\$20,779,756	\$11,653,050
County's Covered Payroll	\$10,590,175	\$10,281,979	\$9,564,590	\$9,495,447
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	106.43%	145.22%	217.26%	122.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014
0.07229004%	0.07510800%	0.07841440%	0.07841440%
\$16,415,839	\$13,009,651	\$9,457,652	\$9,244,037
\$9,547,765	\$9,115,196	\$9,328,120	\$9,102,506
171.93%	142.72%	101.39%	101.55%
77.25%	81.08%	86.45%	86.36%

**Gallia County, Ohio**  
*Required Supplementary Information*  
*Schedule of the County's Proportionate Share of the Net Pension (Asset) Liability*  
*Ohio Public Employees Retirement System - Combined Plan*  
*Last Four Years (1)*

	2021	2020	2019	2018
County's Proportion of the Net Pension Asset/Liability	0.07667680%	0.07461642%	0.07192029%	0.06250602%
County's Proportionate Share of the Net Pension (Asset) Liability	(\$221,338)	\$155,593	\$80,423	\$85,091
County's Covered Payroll	\$345,864	\$332,157	\$307,600	\$255,992
County's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of its Covered Payroll	-64.00%	46.84%	26.15%	33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	157.67%	145.28%	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the County's participation in this plan was considered immaterial in previous years.

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

See accompanying notes to the required supplementary information.

**Gallia County, Ohio**  
*Required Supplementary Information*  
*Schedule of the County's Proportionate Share of the Net OPEB (Asset) Liability*  
*Ohio Public Employees Retirement System - OPEB Plan*  
*Last Five Years (1)*

	2021	2020	2019	2018	2017
County's Proportion of the Net OPEB Asset/Liability	0.07412935%	0.07345410%	0.07375686%	0.07203600%	0.07058310%
County's Proportionate Share of the Net OPEB (Asset) Liability	(\$1,320,674)	\$10,145,919	\$9,616,153	\$7,822,579	\$7,129,133
County's Covered Payroll	\$11,084,239	\$10,746,236	\$10,006,990	\$9,892,239	\$9,985,448
County's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-11.91%	94.41%	96.09%	79.08%	71.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

**Gallia County, Ohio**  
*Required Supplementary Information*  
*Schedule of the County's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio*  
*Last Nine Fiscal Years (1)*

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
County's Proportion of the Net Pension Liability	0.00455398%	0.00442740%	0.00409857%	0.00378207%
County's Proportionate Share of the Net Pension Liability	\$582,267	\$1,071,273	\$906,374	\$831,592
County's Covered Payroll	\$561,929	\$534,321	\$481,186	\$429,957
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.62%	200.49%	188.36%	193.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%	77.30%

(1) Although this schedule is intended to reflect information for ten fiscal years, information prior to 2013 is not available. An additional column will be added each fiscal year.

Amounts presented for each fiscal year were determined as of June 30th.

See accompanying notes to the required supplementary information

Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
0.00404990%	0.00451146%	0.00506864%	0.00475369%	0.00475369%
\$962,062	\$1,510,122	\$1,400,824	\$1,156,262	\$1,377,332
\$445,236	\$474,693	\$528,829	\$523,054	\$529,915
216.08%	318.13%	264.89%	221.06%	259.92%
75.30%	66.80%	72.10%	74.70%	69.30%

**Gallia County, Ohio**  
*Required Supplementary Information*  
*Schedule of the County's Proportionate Share of the Net OPEB (Asset) Liability*  
*State Teachers Retirement System of Ohio*  
*Last Five Fiscal Years (1)*

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
County's Proportion of the Net OPEB (Asset) Liability	0.00455398%	0.00442740%	0.00409857%	0.00378207%	0.00404990%
County's Proportionate Share of the Net OPEB (Asset) Liability	(\$96,017)	(\$77,811)	(\$67,882)	(\$60,774)	\$158,012
County's Covered Payroll	\$561,929	\$534,321	\$481,186	\$429,957	\$445,236
County's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-17.09%	-14.56%	-14.11%	-14.13%	35.49%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.70%	182.10%	174.70%	176.00%	47.10%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information



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**Gallia County, Ohio**  
*Required Supplementary Information*  
*Schedule of County Contributions*  
*Ohio Public Employees Retirement System*  
*Last Nine Years (1)(3)*

	2021	2020	2019
<b>Net Pension Liability - Traditional Plan</b>			
Contractually Required Contribution	\$1,601,357	\$1,537,295	\$1,489,150
Contributions in Relation to the Contractually Required Contribution	<u>(1,601,357)</u>	<u>(1,537,295)</u>	<u>(1,489,150)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$10,999,067	\$10,590,175	\$10,281,979
Contributions as a Percentage of Covered Payroll	<u>14.56%</u>	<u>14.52%</u>	<u>14.48%</u>
<b>Net Pension Asset/Liability - Combined Plan</b>			
Contractually Required Contribution	\$45,177	\$48,421	\$46,502
Contributions in Relation to the Contractually Required Contribution	<u>(45,177)</u>	<u>(48,421)</u>	<u>(46,502)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$322,693	\$345,864	\$332,157
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Asset/Liability - OPEB Plan (2)</b>			
Contractually Required Contribution	\$4,976	\$5,928	\$5,284
Contributions in Relation to the Contractually Required Contribution	<u>(4,976)</u>	<u>(5,928)</u>	<u>(5,284)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$124,400	\$11,084,239	\$10,746,236
Contributions as a Percentage of Covered Payroll	<u>4.00%</u>	<u>0.05%</u>	<u>0.05%</u>

(1) Information prior to 2013 is not available.

(2) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed plan is a defined contribution plan: therefore, the pension side is not included above.

(3) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
\$1,386,207	\$1,282,704	\$1,189,572	\$1,131,895	\$1,156,715	\$1,221,964
<u>(1,386,207)</u>	<u>(1,282,704)</u>	<u>(1,189,572)</u>	<u>(1,131,895)</u>	<u>(1,156,715)</u>	<u>(1,221,964)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,564,590	\$9,495,447	\$9,547,765	\$9,115,196	\$9,328,120	\$9,102,506
<u>14.49%</u>	<u>13.51%</u>	<u>12.46%</u>	<u>12.42%</u>	<u>12.40%</u>	<u>13.42%</u>
\$43,064	\$33,279	\$29,842	\$28,716	\$30,345	\$37,313
<u>(43,064)</u>	<u>(33,279)</u>	<u>(29,842)</u>	<u>(28,716)</u>	<u>(30,345)</u>	<u>(37,313)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$307,600	\$255,992	\$248,683	\$239,300	\$252,875	\$287,023
<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$5,392	\$103,146	\$203,489			
<u>(5,392)</u>	<u>(103,146)</u>	<u>(203,489)</u>			
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			
\$10,006,990	\$9,892,239	\$9,985,448			
<u>0.05%</u>	<u>1.04%</u>	<u>2.04%</u>			

**Gallia County, Ohio**  
*Required Supplementary Information*  
*Schedule of County Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Years*

	2021	2020	2019	2018	2017
<b>Net Pension Liability</b>					
Contractually Required Contribution	\$80,246	\$76,455	\$71,419	\$64,461	\$49,257
Contributions in Relation to the Contractually Required Contribution	<u>(80,246)</u>	<u>(76,455)</u>	<u>(71,419)</u>	<u>(64,461)</u>	<u>(49,257)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$573,186	\$546,107	\$510,136	\$460,436	\$351,836
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%
<b>Net OPEB Asset/Liability</b>					
Contractually Required Contribution	\$0	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$69,572	\$72,698	\$69,885	\$68,889	\$74,562
<u>(69,572)</u>	<u>(72,698)</u>	<u>(69,885)</u>	<u>(68,889)</u>	<u>(74,562)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$496,943	\$519,271	\$514,815	\$529,915	\$573,554
14.00%	14.00%	13.57%	13.00%	13.00%
\$0	\$0	\$2,189	\$5,299	\$5,736
<u>0</u>	<u>0</u>	<u>(2,189)</u>	<u>(5,299)</u>	<u>(5,736)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
0.00%	0.00%	0.43%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%

**Gallia County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2021*

**Changes in Assumptions – OPERS Pension– Traditional Plan**

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2017 use 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.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**Gallia County, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2021

**Changes in Assumptions – OPERS Pension – Combined Plan**

For 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

**Changes in Assumptions – STRS Pension**

Amounts reported beginning in 2017 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 2016 and prior are presented below:

	2017	2016 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 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 Adjustment (COLA)	0.0 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 2021, the investment rate of return was decreased from 7.45 percent to 7.00 percent.

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 no 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.

**Gallia County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2021*

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**Changes in Assumptions – OPERS OPEB**

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

**Changes in Benefit Terms – OPERS OPEB**

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

**Changes in Assumptions – STRS OPEB**

For 2021, the discount rate was decreased from 7.45 percent to 7.00 percent.

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.

**Changes in Benefit Terms – STRS OPEB**

For 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. 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 CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.



**Gallia County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2021*

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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, 2021

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	2021	\$0	\$4,771
School Breakfast Program		2022	0	3,866
Total School Breakfast Program			0	8,637
National School Lunch Program	10.555	2021	0	7,175
National School Lunch Program		2022	0	6,394
COVID-19 National School Lunch Program		2021	0	436
Total National School Lunch Program			0	14,005
Total Child Nutrition Cluster				22,642
Pandemic EBT Local Level Administrative Cost Grant	10.649	2021	0	614
<i>Passed through Ohio Department of Job and Family Services</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2021-11-5927 G-2223-11-6927	1,187 0	122,492 47,762
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			1,187	170,254
<i>Passed through Ohio Department of Natural Resources</i>				
Schools and Roads - Grants to States	10.665	N/A	0	17,387
<i>Passed through Ohio Department of Development</i>				
Water and Waste Disposal System for Rural Communities Program	10.760	N/A	0	948,213
Total U.S. Department of Agriculture			1,187	1,159,110
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Passed through Ohio Department of Development</i>				
Community Development Block Grant - State's Program	14.228	B-C-18-1AY-1 B-D-20-1AY-1 B-W-19-1AY-1 B-X-21-1AY-1 B-F-19-1AY-1 B-F-21-1AY-1	0 0 0 0 0 0	41,450 7,216 426,813 1,847 23,626 1,959
Total Community Development Block Grant - State's Program			0	502,911
House Investment Partnerships Program	14.239	B-C-18-1AY-2	0	194,571
Total U.S. Department of Housing and Urban Development			0	697,482
<b>U.S. DEPARTMENT OF THE INTERIOR</b>				
<i>Direct from the Federal Government</i>				
Payments in Lieu of Taxes	15.226	N/A	0	28,129
<i>Passed through Ohio Department of Natural Resources</i>				
National Forest Acquired Lands	15.438	N/A	0	18,050
Total U.S. Department of the Interior			0	46,179
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<i>Passed through the Ohio Attorney Generals Office</i>				
Crime Victim Assistance	16.575	2021-VOCA-133914518 2021-VOCA-133873311 2022-VOCA-134714130 2022-VOCA-134714104	0 0 0 0	8,039 72,686 1,510 16,512
Total Crime Victim Assistance			0	98,747
<i>Direct from Federal Government</i>				
Bulletproof Vest Partnership Program	16.607	N/A	0	989
<i>Passed through the Ohio Department of Public Safety - Office of Criminal Justice Services</i>				
Coronavirus Emergency Supplemental Funding Program	16.034	2020-CE-CTF-2161	0	2,050
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-JG-LLE-5214F	0	7,489
Total U.S. Department of Justice			0	109,275
<b>U.S. DEPARTMENT OF LABOR</b>				
<i>Passed Through Workforce Investment Act Area 7</i>				
Employment Service/Wagner-Peyser Funded Activities	17.207	N/A	0	23,166
Unemployment Insurance	17.225	N/A	0	10,409
Trade Adjustment Assistance	17.245	N/A	0	3,821
Workforce Investment Act (WIA) National Emergency Grants	17.277	N/A	0	73,098
Workforce Investment Act (WIA) National Emergency Grants	17.286	N/A	0	173,392
Workforce Investment Opportunity Act (WIOA) Cluster:				
WIOA Adult Program	17.258	N/A	0	158,327
WIOA Youth Activities	17.259	N/A	18,754	183,194
WIOA Dislocated Worker Formula Grants	17.278	N/A	0	138,218
Total Workforce Investment Opportunity Act (WIOA) Cluster			18,754	479,739
Total U.S. Department of Labor			18,754	763,625

GALLIA COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<i>Direct from the Federal Government</i>				
Airport Improvement Program	20.106	3-39-0101-018-2021	0	32,000
		3-39-0101-017-2021	0	13,000
Total Airport Improvement Program			0	45,000
<i>Passed through Ohio Department of Transportation</i>				
Highway Planning and Construction	20.205	PID #113862	0	7,264
		PID #98248	0	142,430
		PID #107233	0	1,906,785
		PID #113463	0	307,705
Total Highway Planning and Construction			0	2,364,184
Total U.S. Department of Transportation			0	2,409,184
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
<i>Direct from the Federal Government</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	256,219
<i>Passed through Ohio Office of Budget and Management</i>				
Coronavirus Relief Fund	21.019	N/A	0	60,309
<i>Passed through Ohio Department of Education</i>				
COVID-19 Broadband Ohio Connectivity	21.019	2021	0	3,840
Total Coronavirus Relief Fund			0	64,149
Total U.S. Department of the Treasury			0	320,368
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed through Ohio Department of Education</i>				
<i>Special Education Cluster (IDEA):</i>				
Special Education-Grants to States (IDEA, Part B)	84.027	2021	0	14,851
		2022	0	11,092
Total Special Education-Grants to States (IDEA, Part B)			0	25,943
Special Education-Preschool Grants (IDEA Preschool)	84.173	2021	0	5,631
		2022	0	3,900
Total Special Education-Preschool Grants (IDEA Preschool)			0	9,531
Total Special Education Cluster (IDEA)			0	35,474
Governor's Emergency Education Relief Fund	84.425C	2022	0	33,914
Total U.S. Department of Education			0	69,388
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>				
<i>Passed Through Ohio Secretary of State</i>				
2018 HAVA Election Security Grant	90.404	2021	0	17,093
Total U.S. Election Assistance Commission			0	17,093
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed through Ohio Department of Job and Family Services</i>				
Promoting Safe and Stable Families	93.556	G-2021-11-5927	0	7,303
		G-2223-11-6927	0	12,363
Total Promoting Safe and Stable Families			0	19,666
Temporary Assistance for Needy Families	93.558	G-2021-11-5927	3,395,583	4,879,741
		G-2223-11-6927	0	100,172
Total Temporary Assistance for Needy Families			3,395,583	4,979,913
Child Support Enforcement	93.563	G-2021-11-5927	0	464,595
		G-2223-11-6927	0	166,066
Total Child Support Enforcement			0	630,661
Child Support Responsible Parenting	93.564	G-2021-11-5927	0	81,258
Child Care and Development Block Grant	93.575	G-2021-11-5927	0	44,492
		G-2223-11-6927	0	14,784
Total Child Care and Development Block Grant			0	59,276
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2021-11-5928	0	44,536
		G-2223-11-6927	0	26,500
Total Stephanie Tubbs Jones Child Welfare Services Program			0	71,036
Foster Care Title IV-E	93.658	G-2021-11-5928	0	350,460
		G-2223-11-6927	0	25,129
Total Foster Care Title IV-E			0	375,589
Adoption Assistance	93.659	G-2021-11-5928	0	114,444
		G-2223-11-6927	0	31,830
Total Adoption Assistance			0	146,274
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2021-11-5928	0	4,864
Elder Abuse Prevention Interventions Program	93.747	G-2021-11-5927	0	15,128
Children's Health Insurance Program	93.767	G-2021-11-5928	0	14,505
		G-2223-11-6927	0	3,903
Total Children's Health Insurance Program			0	18,408

GALLIA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Provided Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>Passed through Ohio Department of Job and Family Services</b>				
Social Services Block Grant	93.667	G-2021-11-5927	70,002	166,098
Total Social Services Block Grant				
<b>Passed through Ohio Department of Developmental Disabilities</b>				
Social Services Block Grant	93.667	N/A	0	22,459
Total Social Services Block Grant			70,002	188,557
<b>Passed through Ohio Department of Job and Family Services</b>				
Medical Assistance Program	93.778	G-2021-11-5927 G-2223-11-6927	0 0	833,831 265,811
Total Medical Assistance Program			0	1,099,642
<b>Passed through Ohio Department of Developmental Disabilities</b>				
Medical Assistance Program	93.778	N/A	0	109,650
Total Medical Assistance Program			0	1,209,292
Total U.S. Department of Health and Human Services			3,465,585	7,799,922
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<b>Passed through Ohio Department of Public Safety - Emergency Management Agency</b>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4424-DR	0	599,516
Emergency Management Performance Grants	97.042	EMC-2021-EP-00002	0	46,978
Total U.S. Department of Homeland Security			0	646,494
<b>Total Expenditures of Federal Awards</b>			<b>3,485,526</b>	<b>14,038,120</b>

The accompanying notes are an integral part of this Schedule.

**GALLIA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE A – 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, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

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

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - SUBRECIPIENTS**

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

As a subrecipient, 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 E - CHILD NUTRITION CLUSTER**

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

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

The current cash balance on the County's local program income account as of December 31, 2021 is \$107,616.

**NOTE G - MATCHING REQUIREMENTS**

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



**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, 2021, 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 27, 2023.

***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 a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2021-002 that we consider to be a material weakness.

***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 2021-001.

***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 27, 2023



# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

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

Gallia County  
18 Locust Street  
Gallipolis, Ohio 45631

To the Board of County Commissioners:

### Report on Compliance for Each Major Federal Program

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

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, 2021. Gallia County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

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 major federal programs for the year ended December 31, 2021.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

April 27, 2023

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**GALLIA COUNTY**  
**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2021**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b> AL # 20.205 – Highway Planning and Construction AL # 10.760 – Water and Waste Disposal Systems for Rural Communities	
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

**FINDING NUMBER 2021-001**

**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.

**GALLIA COUNTY**

**SCHEDULE OF FINDINGS**

**2 CFR § 200.515**

**DECEMBER 31, 2021**

**(Continued)**

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

**FINDING NUMBER 2021-001 (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, 100% 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 Commission followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Testing at year end also noted the improper use of Super Blanket Certificates. Super Blanket Certificates were issued for the County Jail Project and the USDA loan for Green Sewer 2 Project. These are not specific recurring and reasonably predictable operating expenses. 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.

**GALLIA COUNTY**

**SCHEDULE OF FINDINGS**

**2 CFR § 200.515**

**DECEMBER 31, 2021**

**(Continued)**

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

**FINDING NUMBER 2021-001 (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:**

At the time these issues came about, there was no structured audit/review process between the Board of Commissioners, specifically the County Administrator, and the Gallia County Auditor's Office. Therefore, little to no oversight or certification by the County Auditor was conducted. This is also why the Board of Commissioners were not aware of the limitations specified on Super Blanket Certificates. Please see attached Corrective Action Plan for specifics on how this is being addressed at this time.

**FINDING NUMBER 2021-002**

**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 mispostings. As a result, the following adjustments were required:

- The General Fund received \$101,807 reimbursement for prior expenses. This reimbursement was incorrectly reflected as loan proceeds in the Sewer Fund. This resulted in a decrease of loan proceeds in the Sewer Fund and increase in miscellaneous receipts in the General Fund.
- The Motor Vehicle Gas Tax Fund included \$650,000 in Intergovernmental Receivable/Intergovernmental Revenue on-behalf funding that was received in 2021 but not recorded by the county. This resulted in a decrease to Intergovernmental Receivable and increase to Public Works expenditures.

**GALLIA COUNTY**  
**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2021**  
**(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2021-002 (Continued)**

**Material Weakness (Continued)**

- The Bond Retirement Fund principal and interest payments in the amount of \$1,631,866 were incorrectly shown as Transfers-Out. This resulted in a decrease to Transfers-out in the amount of \$1,631,866 and an increase of \$1,623,990 and \$7,876 to Principal and Interest payments, respectively. In addition, \$13,360 in principal payments were incorrectly recorded as interest. This resulted in a decrease to Interest payments and Due in More than One Year- Other and an increase to Principal payments and Net Investment in Capital Assets by \$13,360.
- The Sewer Bond Retirement Fund did not reflect \$5,750 of Principal payments. This resulted in an increase to Principal payments and a decrease to OPWC Loans Payable-Current. In addition, an OPWC loan was not recorded. This resulted in an increase to Debt Proceeds and OPWC Loans Payable-Long Term in the amount of \$313,632 and a decrease to Capital Contributions and Invested in Capital Assets Net of Related Debt in the amount of \$313,632.
- Charges for Services in the Sewer Fund were also double posted, which resulted in a decrease in Charges for Services revenue and an increase to Other Expense in the amount of \$167,479. In addition, Cash and Cash Equivalents with Fiscal Agents were understated. This resulted in an increase to Cash and Cash Equivalents and a decrease to Revenue Bonds Issued in the amount of \$614,831.

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.

**Officials' Response**

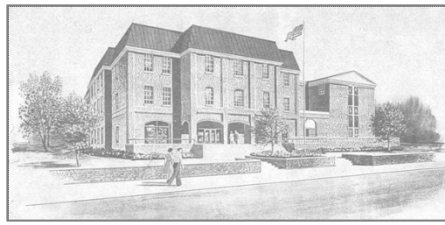
At the time these mispostings occurred, there was no structured auditing process between the County Administrator and the County Auditor's Office until the end of the calendar year. When caught by either office, corrections were made, but not through a systematic audit and review process. Please see Corrective Action Plan for details on how this is being addressed.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
--

None



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



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

*Office Staff:  
Brian Rutherford, County Administrator  
Amanda Phillips, Clerk to the Board  
Bailey Jacobs-Johnson, Assistant Clerk  
Karen Sprague, Grants Administrator*

*This institution is an equal opportunity provider and employer.*

4/19/2023

**CORRECTIVE ACTION PLAN  
2 CFR § 200.511(c)  
DECEMBER 31, 2021**

**Finding Number:  
Planned Corrective Action:**

2021-001

The following steps have been taken:

- 1) All contracts and/or orders involving expenditures of money which are drawn up by the County Administrator will be reviewed and certified by the County Auditor and/or his Head of Finance prior to disbursement. "Then and Now" certificates, Blanket Certificates, and Super Blanket Certificates will also be reviewed by the Chief Fiscal Officer and County Administrator prior to implementation to ensure the availability of funds exists and is certified.
- 2) To ensure that there is no more improper use of Super Blanket Certificates, The County Administrator has created a Bond Pay-back Schedule for Principal and Interest payments for all bonds and loans incurred by the County, with payment dates set up on a Microsoft Outlook Calendar. Prior to disbursement of funds as these repayments come due, The County Administrator will contact the County Auditors Office to ensure and certify funds are available from those revenue accounts. At the end of the fiscal year, new certifications will be reviewed for those Super Blanket Certificates which are scheduled to expire.
- 3) A monthly meeting, which will occur on the last Monday of every month will be conducted between the County Administrator and the County Auditor and/or Head of Finance to review all pay-outs from the County Commissioners' Office for accuracy, certification, and comparison the Auditor's Authority Finance Computer system reports. It is the intent of these meetings to have an internal auditing of the disbursement of funds to compare with the County's Amended Certificate to ensure the County's funds do not exceed budgetary limitations.

**Anticipated Completion Date:  
Responsible Contact Person:**

3/27/2023

Brian Rutherford, County Administrator, and Robert Jacks, County Auditor

**Finding Number:  
Planned Corrective Action:**

2021-002

Monthly meetings between the County Administrator and the County Auditors Office to review revenues and expenditures for that month will eliminate these mispostings.

**Anticipated Completion Date:  
Responsible Contact Person:**

3/27/2023

Brian Rutherford, County Administrator, and Robert Jacks, County Auditor

# 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 5/9/2023**

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

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