



OHIO AUDITOR OF STATE
KEITH FABER



**GALLIA COUNTY
DECEMBER 31, 2023**

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DECEMBER 31, 2023**

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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

Qualified and Unmodified 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Qualified
General Fund	Unmodified
Motor Vehicle Gasoline Tax Fund	Unmodified
Job and Family Services Fund	Unmodified
Board of Developmental Disabilities Fund	Unmodified
Jail Project Capital Improvements Fund	Unmodified
Sewer Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinions on Business-Type Activities and Sewer Fund

In our opinion, except for the effects of the matters described in the *Basis for Qualified and Unmodified Opinions* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Business Type Activities and Sewer Fund of the County, as of December 31, 2023, and the changes in financial position thereof and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

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 General, Motor Vehicle Gasoline Tax, Job and Family Services, Board of Developmental Disabilities and Jail Project Capital Improvements Governmental Funds and the aggregate remaining fund information of Gallia County, Ohio as of December 31, 2023, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Motor Vehicle Gasoline Tax, Job and Family Services, and Board of Developmental Disabilities Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified 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 qualified and unmodified audit opinions.

Matters Giving Rise to Qualified Opinions on Business-Type Activities and Sewer Fund

Charges for Services receipts in the Business-Type Activities and Sewer Fund are reported at \$654,904 for the year ended December 31, 2023. The County Detail Receipts Ledger reports a total of \$937,706 in charges for services receipts, however, due to a utility system upgrade, the utility system reports total receipts of \$9,166,220. The utility system included receipts as far back as 2010 in the 2023 receipt reports. After accounting for receipts included in the utility system in error, we were unable to reconcile the County Detail Receipts Ledger to the Utility System noting a variance of \$107,757 between the two systems. The county receipts total is 13% more than the utility system total. Accordingly, we were unable to determine if all utility collections were subject to testing. Additionally, the county does not have an allowance for doubtful accounts so all delinquent accounts at year end are considered fully receivable and recorded as accounts receivable and charges for services revenue on the financial statements. In 2023, the county wrote off delinquent accounts totaling \$353,346 which included all delinquent accounts turned over to the County Auditor for assessment on the tax bill during 2023 and prior years. Although written off in the utility system, the amounts turned to the County Auditor for assessment are still considered receivable but are no longer reported on the financial statements as a receivable and related revenue. This resulted in current year charges for services revenue and accounts receivable being understated by an indeterminable amount.

Emphasis of Matter

As discussed in Note 5 to the financial statements, during 2023, the County discovered its previously reported construction in progress was understated and restated beginning net position in the Business-Type Activities and Sewer Fund to correct this balance. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules for Infrastructure Assets Accounted for Using the Modified Approach, and Schedules of Net Pension and Other Post-Employment Benefit Liabilities and Pension and Other Post-Employment Benefit Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2025, 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

January 23, 2025

Gallia County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

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, 2023. 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 2023 are as follows:

- In total, net position increased \$9,139,552. Net position of governmental activities increased \$226,918 from 2022. Net position of business-type activities increased \$8,912,934 from 2022.
- Overall, the fund balance of governmental funds decreased \$4,591,039. While the General Fund decreased \$654,808, the Motor Vehicle Gasoline Tax Fund increased \$550,304, the Job and Family Services Fund decreased \$272,697, the Board of Developmental Disabilities Fund increased \$45,804, and the Jail Project Capital Improvement Fund decreased \$5,134,336.

USING THIS ANNUAL FINANCIAL REPORT

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

The Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole, presenting both an aggregate and a longer-term view of the County. Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements report the County's most significant funds individually and the County's nonmajor funds in a single column.

Reporting Gallia County as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- **Governmental Activities** – Most of the County's programs or services are reported here, including legislative and executive, judicial, public safety, public works, health, human services, and economic development. These services are funded primarily by taxes and intergovernmental receipts, including federal and state grants and other shared revenues.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's sewer system is reported here.

Gallia County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

Reporting the Gallia County's Most Significant Funds

Fund Financial Statements

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

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

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

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

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

GALLIA COUNTY AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2023 compared to 2022.

Gallia County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022*	2023	2022*
Assets						
Current and Other Assets	\$41,947,755	\$49,018,470	\$7,313,281	\$1,302,807	\$49,261,036	\$50,321,277
Net Pension Asset	123,987	275,610	0	0	123,987	275,610
Net OPEB Asset	85,512	2,469,576	0	0	85,512	2,469,576
Capital Assets, Net	131,017,554	126,531,756	26,666,229	23,860,181	157,683,783	150,391,937
<i>Total Assets</i>	173,174,808	178,295,412	33,979,510	25,162,988	207,154,318	203,458,400
Deferred Outflows of Resources						
Pension	9,836,705	3,413,095	292,465	0	10,129,170	3,413,095
OPEB	1,392,196	44,827	17,123	0	1,409,319	44,827
Deferred Charge on Refunding	6,827	7,352	0	0	6,827	7,352
Asset Retirement Obligations	0	0	292,000	306,500	292,000	306,500
<i>Total Deferred Outflows of Resources</i>	11,235,728	3,465,274	601,588	306,500	11,837,316	3,771,774
Liabilities						
Current and Other Liabilities	4,636,164	7,344,529	681,716	435,166	5,317,880	7,779,695
Long-Term Liabilities:						
Due within One Year	667,387	692,792	282,163	289,915	949,550	982,707
Due in More than One Year:						
Net Pension Liability	23,299,972	7,699,700	266,109	0	23,566,081	7,699,700
Net OPEB Liability	463,439	0	5,452	0	468,891	0
Other Amounts	21,835,956	22,412,832	11,464,032	11,777,214	33,299,988	34,190,046
<i>Total Liabilities</i>	50,902,918	38,149,853	12,699,472	12,502,295	63,602,390	50,652,148
Deferred Inflows of Resources						
Property Taxes	5,413,258	5,182,053	0	0	5,413,258	5,182,053
Pension	399,418	8,571,667	0	0	399,418	8,571,667
OPEB	244,996	2,550,800	1,799	0	246,795	2,550,800
Leases	882,634	965,919	0	0	882,634	965,919
<i>Total Deferred Inflows of Resources</i>	6,940,306	17,270,439	1,799	0	6,942,105	17,270,439
Net Position						
Net Investment in Capital Assets	108,040,870	101,309,501	15,027,919	12,039,998	123,068,789	113,349,499
Restricted	24,426,092	29,809,594	0	0	24,426,092	29,809,594
Unrestricted (Deficit)	(5,899,650)	(4,778,701)	6,851,908	927,195	952,258	(3,851,506)
<i>Total Net Position</i>	<u>\$126,567,312</u>	<u>\$126,340,394</u>	<u>\$21,879,827</u>	<u>\$12,967,193</u>	<u>\$148,447,139</u>	<u>\$139,307,587</u>

*As restated. See Note 5 of the notes to the basic financial statements for additional information.

The net pension liability (NPL) is the one of the largest liabilities reported by the County as of December 31, 2023. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Gallia County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

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 decreased \$5,120,604, due mostly to decreases in cash and cash equivalents and net OPEB asset, which were partially offset by increases in intergovernmental receivable and capital assets. Capital assets increased due primarily to additions for construction in progress for the ongoing Jail capital project. The decrease in net OPEB assets is due primarily to changes to the state-wide OPEB plan. The increase in intergovernmental receivable is due to the timing of when grant monies are earned versus received. Deferred outflows of resources related to pension and OPEB increased \$6,423,610 and \$1,347,369, respectively. The significant increase in total deferred outflow of resources in 2023 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 increased \$12,753,065, due mostly to an increase in net pension and OPEB liability. Current and other liabilities decreased \$2,708,365 mostly due to a decrease in contracts payable and retainage payable related to the Jail capital project and unearned revenue in the Local Fiscal Recovery Fund. Other amounts due in more than one year decreased \$576,876 as a result of debt retirements. Net pension liability increased \$15,600,272 and the net OPEB liability increased \$463,439. The net pension and net OPEB liabilities increase represent the change in the County's proportionate share of the OPERS traditional plan's unfunded benefits. As indicated above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, as well as deferred inflows for pension and OPEB which both decreased by \$8,172,249 and \$2,305,804, respectively.

Total business-type activities assets increased \$8,816,522. Capital assets increased by \$2,806,048, due to the ongoing construction in progress. Current and other assets increased \$6,010,474 due to an increase in cash and cash equivalents held by the County as of year end.

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

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Gallia County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

(Table 2)
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022*	2023	2022*
Revenues						
Program Revenues:						
Charges for Services	\$7,302,455	\$6,764,781	\$654,904	\$1,107,988	\$7,957,359	\$7,872,769
Operating Grants, Contributions and Interest Capital Grants and Contributions	20,723,842	21,704,299	0	0	20,723,842	21,704,299
	698,028	5,500,000	2,776,193	2,779,176	3,474,221	8,279,176
<i>Total Program Revenues</i>	<u>28,724,325</u>	<u>33,969,080</u>	<u>3,431,097</u>	<u>3,887,164</u>	<u>32,155,422</u>	<u>37,856,244</u>
General Revenues:						
Property Taxes	4,877,700	4,492,850	0	0	4,877,700	4,492,850
Sales Taxes	7,531,423	7,024,771	0	0	7,531,423	7,024,771
Other Local Taxes	226,148	235,745	0	0	226,148	235,745
Payments in Lieu of Taxes	2,642	0	0	0	2,642	0
Grants and Entitlements	1,556,699	1,431,256	0	0	1,556,699	1,431,256
Gifts and Donations	250	5,000	0	0	250	5,000
Interest	1,128,867	208,730	129,849	14,003	1,258,716	222,733
Gain on Sale of Capital Assets	76,830	8,100	0	0	76,830	8,100
Other	633,748	630,795	0	65,132	633,748	695,927
<i>Total General Revenues</i>	<u>16,034,307</u>	<u>14,037,247</u>	<u>129,849</u>	<u>79,135</u>	<u>16,164,156</u>	<u>14,116,382</u>
Total Revenues	44,758,632	48,006,327	3,560,946	3,966,299	48,319,578	51,972,626
Program Expenses						
General Government:						
Legislative and Executive	6,859,914	4,953,607	0	0	6,859,914	4,953,607
Judicial	2,906,374	2,427,448	0	0	2,906,374	2,427,448
Public Safety	9,960,160	7,265,959	0	0	9,960,160	7,265,959
Public Works	7,134,613	3,292,010	0	0	7,134,613	3,292,010
Health	4,295,199	3,296,699	0	0	4,295,199	3,296,699
Human Services	10,838,729	9,667,395	0	0	10,838,729	9,667,395
Economic Development	1,295,892	408,687	0	0	1,295,892	408,687
Intergovernmental	516,995	1,753,921	0	0	516,995	1,753,921
Interest on Long-Term Debt	595,319	579,533	0	0	595,319	579,533
Sewer	0	0	1,779,487	1,119,310	1,779,487	1,119,310
<i>Total Program Expenses</i>	<u>44,403,195</u>	<u>33,645,259</u>	<u>1,779,487</u>	<u>1,119,310</u>	<u>46,182,682</u>	<u>34,764,569</u>
<i>Change in Net Position Before Transfers and special item</i>	<u>355,437</u>	<u>14,361,068</u>	<u>1,781,459</u>	<u>2,846,989</u>	<u>2,136,896</u>	<u>17,208,057</u>
Transfers	(128,519)	0	128,519	0	0	0
Special Item	0	0	7,002,656	0	7,002,656	0
<i>Change in Net Position</i>	<u>226,918</u>	<u>14,361,068</u>	<u>8,912,634</u>	<u>2,846,989</u>	<u>9,139,552</u>	<u>17,208,057</u>
<i>Net Position at Beginning of Year</i>	<u>126,340,394</u>	<u>111,979,326</u>	<u>12,967,193</u>	<u>N/A</u>	<u>139,307,587</u>	<u>N/A</u>
<i>Net Position at End of Year</i>	<u>\$126,567,312</u>	<u>\$126,340,394</u>	<u>\$21,879,827</u>	<u>\$12,967,193</u>	<u>\$148,447,139</u>	<u>\$139,307,587</u>

Gallia County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

*As restated. See Note 5 of the notes to the basic financial statements for additional information.

Governmental Activities

Program revenues accounted for 64.18 percent of total revenues for governmental activities in 2023. Governmental activities services are primarily funded through these program revenues, with operating grants accounting for \$20,723,842 or 46.30 percent of total revenues. The major recipients of these intergovernmental receipts were the Motor Vehicle Gasoline Tax, Job and Family Services, and Board of Developmental Disabilities Special Revenue Funds. The significant decrease to capital grants is due to a grant reported in the prior year for the Jail Project Capital Projects Fund.

The County's direct charges to users of governmental services made up \$7,302,455 or 16.32 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 35.82 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 \$10,838,729 or 24.41 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 \$9,960,160 or 22.43 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 \$7,134,613 or 16.07 percent of all governmental activities. These activities are paid entirely with program revenues. The funding from other governmental granting agencies was used for numerous road and bridge projects throughout the County.

General government legislative and executive and judicial, health, community and economic development, intergovernmental, and interest and fiscal charges expenditures account for the remaining 37.09 percent of governmental expenses.

Business-Type Activities

The County's sewer operations experienced an increase in net position of \$8,912,634 during 2023. Charges for services accounted for \$654,904, or 18.39 percent of total revenue, while capital grants accounted for \$2,776,193 or 77.96 percent of total revenue. Sewer expenses increased \$660,177 from 2022.

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 and other financing sources of \$46,617,604 and expenditures and other financing uses of \$51,208,643.

The fund balance of the General Fund decreased \$654,808. This decrease was due to increases legislative and executive and public safety expenditures, which were partially offset by increases in property and sales tax revenues and charges for services. The General Fund's unassigned fund balance of \$4,922,816 represented 36.90 percent of current year expenditures. Most of this balance remains in the County's treasury.

Gallia County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

The fund balance of the Motor Vehicle Gasoline Tax Special Revenue Fund increased \$550,304. The Motor Vehicle Gasoline Tax Special Revenue Fund's spendable fund balance of \$4,402,916 represented 69.50 percent of current year expenditures.

The fund balance of the Job and Family Services Special Revenue Fund decreased \$272,697. The Job and Family Services Special Revenue Fund's spendable fund balance of \$1,030,052 represented 13.66 percent of current year expenditures.

The fund balance of the Board of Developmental Disabilities Special Revenue Fund increased \$45,804. The Board of Developmental Disabilities Special Revenue Fund's spendable fund balance of \$2,606,994 represented 65.06 percent of current year expenditures.

The fund balance of the Jail Project Capital Improvement Fund decreased \$5,134,336 due expenditures made during the year for the construction jail improvement project.

The net position of the Sewer Enterprise Fund increased \$8,912,634. The increase in fund balance is due mainly to a special item received for an insurance settlement.

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 2023, the County amended its General Fund budget several times. 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 changed 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 \$4,148,800 were made to the original budgeted revenues and other financing sources to account mostly for increases in sales tax revenue, intergovernmental revenue, and advances. Final budgeted expenditures and other financing uses increased \$2,254,824 to account increases in legislative and executive and public safety expenditures and transfers and advances to other funds. Gallia County's ending unencumbered fund balance in the General Fund was \$1,319,141 more than the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the County had \$131,017,554 in governmental activities and \$26,666,229 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 2023 balances compared to 2022.

Gallia County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

(Table 3)
Capital Assets at December 31, 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022*	2023	2022*
Land	\$1,355,765	\$1,355,765	\$0	\$0	\$1,355,765	\$1,355,765
Infrastructure	97,152,447	97,076,465	18,893,052	7,503,232	116,045,499	104,579,697
Construction in Progress	763,288	15,762,515	7,619,193	16,276,077	8,382,481	32,038,592
Land Improvements	64,907	70,721	0	0	64,907	70,721
Building and Improvements	29,110,457	9,376,540	0	0	29,110,457	9,376,540
Furniture, Fixtures, and Equipment	1,293,508	1,483,227	62,862	68,442	1,356,370	1,551,669
Vehicles	1,277,182	1,406,523	91,122	12,430	1,368,304	1,418,953
Totals	<u>\$131,017,554</u>	<u>\$126,531,756</u>	<u>\$26,666,229</u>	<u>\$23,860,181</u>	<u>\$157,683,783</u>	<u>\$150,391,937</u>

*As restated. See Note 5 of the notes to the basic financial statements for additional information.

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

Debt

By year end, the County had various outstanding bonds, loans, and financed purchases, totaling \$33,313,228 of which \$949,550 is due within one year.

(Table 4)
Outstanding Debt at December 31, 2021

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$21,659,101	\$21,955,245	\$0	\$0	\$21,659,101	\$21,955,245
Revenue Bonds	0	0	5,144,000	5,302,500	5,144,000	5,302,500
OWDA Loans	0	0	4,808,699	4,973,597	4,808,699	4,973,597
OPWC Loans	84,237	86,262	1,203,036	1,200,666	1,287,273	1,286,928
Financed Purchases	414,155	698,290	0	0	414,155	698,290
Totals	<u>\$22,157,493</u>	<u>\$22,739,797</u>	<u>\$11,155,735</u>	<u>\$11,476,763</u>	<u>\$33,313,228</u>	<u>\$34,216,560</u>

The County's overall legal debt margin was \$18,711,166 as of December 31, 2023. For additional information on the County's debt, see Notes 18 and 22 to the basic financial statements.

CURRENT ISSUES

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

CONTACTING THE COUNTY AUDITOR'S DEPARTMENT

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

Gallia County
Statement of Net Position
As of December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Equivalents	\$25,500,859	\$7,297,563	\$32,798,422
Cash and Cash Equivalents in Segregated Accounts	223,917	0	223,917
Cash and Cash Equivalents with Fiscal Agents	264,178	0	264,178
Materials and Supplies Inventory	676,044	0	676,044
Accrued Interest Receivable	311,179	0	311,179
Accounts Receivable	357,138	115,940	473,078
Internal Balances	201,622	(201,622)	0
Intergovernmental Receivable	4,932,673	4,488	4,937,161
Prepaid Items	178,867	10,172	189,039
Sales Tax Receivable	1,966,848	0	1,966,848
Other Local Taxes Receivable	54,093	0	54,093
Property Taxes Receivable	5,724,268	0	5,724,268
Leases Receivable	882,634	0	882,634
Loans Receivable	0	17,787	17,787
Unamortized Bond Insurance Premium	80,596	0	80,596
Restricted Cash and Cash Equivalents	592,839	68,953	661,792
Net Pension Asset	123,987	0	123,987
Net OPEB Asset	85,512	0	85,512
Nondepreciable Capital Assets	99,271,500	7,619,193	106,890,693
Depreciable Capital Assets, Net	31,746,054	19,047,036	50,793,090
<i>Total Assets</i>	<i>173,174,808</i>	<i>33,979,510</i>	<i>207,154,318</i>
Deferred Outflows of Resources			
Deferred Charge on Refunding	6,827	0	6,827
Pension	9,836,705	292,465	10,129,170
OPEB	1,392,196	17,123	1,409,319
Asset Retirement Obligations	0	292,000	292,000
<i>Total Deferred Outflows of Resources</i>	<i>11,235,728</i>	<i>601,588</i>	<i>11,837,316</i>
Liabilities			
Accounts Payable	387,149	22,854	410,003
Accrued Wages and Benefits Payable	494,775	4,472	499,247
Contracts Payable	332,648	438,057	770,705
Intergovernmental Payable	296,055	53,512	349,567
Accrued Interest Payable	57,341	81,869	139,210
Accrued Vacation Leave Payable	949,968	11,999	961,967
Retainage Payable	592,839	68,953	661,792
Unearned Revenue	1,525,389	0	1,525,389
<i>Long-Term Liabilities:</i>			
Due Within One Year	667,387	282,163	949,550
<i>Due in More Than One Year:</i>			
Other Amounts Due in More Than One Year	21,835,956	11,464,032	33,299,988
Net Pension Liability	23,299,972	266,109	23,566,081
Net OPEB Liability	463,439	5,452	468,891
<i>Total Liabilities</i>	<i>50,902,918</i>	<i>12,699,472</i>	<i>63,602,390</i>
Deferred Inflows of Resources			
Property Taxes Not Levied to Finance Current Year Operations	5,413,258	0	5,413,258
Pension	399,418	0	399,418
OPEB	244,996	1,799	246,795
Leases	882,634	0	882,634
<i>Total Deferred Inflows of Resources</i>	<i>6,940,306</i>	<i>1,799</i>	<i>6,942,105</i>
Net Position			
Net Investment in Capital Assets	108,040,870	15,027,919	123,068,789
Restricted for Debt Service	68,483	0	68,483
Restricted for Capital Outlay	266,016	0	266,016
Restricted for Jail Capital Project	5,264,920	0	5,264,920
Restricted for Other Purposes	414,652	0	414,652
Restricted for Roads and Bridges	6,866,695	0	6,866,695
Restricted for Job and Family Services	982,942	0	982,942
Restricted for Developmental Disabilities	2,868,934	0	2,868,934
Restricted for Community Development	68,542	0	68,542
Restricted for Court Operations	2,401,749	0	2,401,749
Restricted for Sheriff Operations	156,387	0	156,387
Restricted for Emergency Management Services	1,867,664	0	1,867,664
Restricted for Real Estate Management	516,116	0	516,116
Restricted for Childrens Services Operations	1,037,121	0	1,037,121
Restricted for Child Support Services	1,300,460	0	1,300,460
Restricted for Net Pension Asset	252,913	0	252,913
Restricted for Net OPEB Asset	27,230	0	27,230
Restricted for Unclaimed Monies	65,268	0	65,268
Unrestricted (Deficit)	(5,899,650)	6,851,908	952,258
<i>Total Net Position</i>	<i>\$126,567,312</i>	<i>\$21,879,827</i>	<i>\$148,447,139</i>

See accompanying notes to the basic financial statements.

Gallia County
Statement of Activities
For the Year Ended December 31, 2023

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental Activities				
General Government:				
Legislative and Executive	\$6,859,914	\$2,136,947	\$184,484	\$155,509
Judicial	2,906,374	1,019,714	787,500	0
Public Safety	9,960,160	2,300,497	458,540	300,000
Public Works	7,134,613	482,927	7,289,054	0
Health	4,295,199	605,194	1,268,838	0
Human Services	10,838,729	524,215	10,187,661	0
Community and Economic Development	1,295,892	181,686	149,770	242,519
Intergovernmental	516,995	0	397,995	0
Interest on Long-Term Debt	595,319	51,275	0	0
<i>Total Governmental Activities</i>	<u>44,403,195</u>	<u>7,302,455</u>	<u>20,723,842</u>	<u>698,028</u>
Business-Type Activities				
Sewer	1,779,487	654,904	0	2,776,193
<i>Total Business-Type Activities</i>	<u>1,779,487</u>	<u>654,904</u>	<u>0</u>	<u>2,776,193</u>
<i>Total Primary Government</i>	<u>\$46,182,682</u>	<u>\$7,957,359</u>	<u>\$20,723,842</u>	<u>\$3,474,221</u>

General Revenues and Transfers

Property Taxes Levied for:

General Purposes

Board of Developmental Disabilities

Sales Taxes Levied for:

General Purposes

Public Safety

Other Local Taxes

Payments in Lieu of Taxes

Grants and Entitlements not Restricted to Specific Programs

Contributions and Donations not Restricted to Specific Programs

Unrestricted Investment Earnings

Gain on Sale of Capital Assets

Other

Transfers

Total General Revenues and Transfers

Special Items

Change in Net Position

Net Position Beginning of Year-Restated

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$4,382,974)	\$0	(\$4,382,974)
(1,099,160)	0	(1,099,160)
(6,901,123)	0	(6,901,123)
637,368	0	637,368
(2,421,167)	0	(2,421,167)
(126,853)	0	(126,853)
(721,917)	0	(721,917)
(119,000)	0	(119,000)
(544,044)	0	(544,044)
(15,678,870)	0	(15,678,870)
0	1,651,610	1,651,610
0	1,651,610	1,651,610
(15,678,870)	1,651,610	(14,027,260)
2,810,741	0	2,810,741
2,066,959	0	2,066,959
6,275,815	0	6,275,815
1,255,608	0	1,255,608
226,148	0	226,148
2,642	0	2,642
1,556,699	0	1,556,699
250	0	250
1,128,867	129,849	1,258,716
76,830	0	76,830
633,748	0	633,748
(128,519)	128,519	0
15,905,788	258,368	16,164,156
0	7,002,656	7,002,656
226,918	8,912,634	9,139,552
126,340,394	12,967,193	139,307,587
\$126,567,312	\$21,879,827	\$148,447,139

Gallia County
Balance Sheet
Governmental Funds
As of December 31, 2023

	General	Motor Vehicle Gasoline Tax	Job and Family Services
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,484,115	\$3,165,407	\$1,138,734
Cash and Cash Equivalents in Segregated Accounts	32,260	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Materials and Supplies Inventory	10,627	659,927	0
Accrued Interest Receivable	311,179	0	0
Accounts Receivable	22,557	2,672	0
Interfund Receivable	246,023	0	1,301
Due from Other Funds	63,139	0	0
Intergovernmental Receivable	679,721	3,245,240	35,606
Prepaid Items	116,807	10,136	12,145
Sales Tax Receivable	1,638,151	0	0
Other Local Taxes Receivable	0	0	0
Property Taxes Receivable	3,514,415	0	0
Leases Receivable	334,247	0	0
Restricted Cash and Cash Equivalents	65,268	0	0
<i>Total Assets</i>	<u>\$11,518,509</u>	<u>\$7,083,382</u>	<u>\$1,187,786</u>
Liabilities			
Accounts Payable	\$100,218	\$29,506	\$21,428
Accrued Wages and Benefits Payable	207,708	43,602	67,144
Contracts Payable	0	0	0
Intergovernmental Payable	153,563	6,736	9,400
Retainage Payable	0	0	0
Interfund Payable	0	0	0
Due to Other Funds	0	10,136	12,145
Unearned Revenue	0	0	0
<i>Total Liabilities</i>	<u>461,489</u>	<u>89,980</u>	<u>110,117</u>
Deferred Inflows of Resources			
Property Taxes Not Levied to Finance Current Year Operations	3,343,850	0	0
Leases	334,247	0	0
<i>Unavailable Revenue:</i>			
Property Taxes	170,565	0	0
Sales Taxes	571,691	0	0
Grants and Entitlements	355,575	1,920,423	35,472
Interest	311,179	0	0
<i>Total Unavailable Revenue</i>	<u>1,409,010</u>	<u>1,920,423</u>	<u>35,472</u>
<i>Total Deferred Inflows of Resources</i>	<u>5,087,107</u>	<u>1,920,423</u>	<u>35,472</u>
Fund Balances			
Nonspendable	192,702	670,063	12,145
Restricted	0	4,402,916	1,030,052
Committed	94,265	0	0
Assigned	760,130	0	0
Unassigned	4,922,816	0	0
<i>Total Total Fund Balance</i>	<u>5,969,913</u>	<u>5,072,979</u>	<u>1,042,197</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<u>\$11,518,509</u>	<u>\$7,083,382</u>	<u>\$1,187,786</u>

See accompanying notes to the basic financial statements.

Board of Developmental Disabilities	Jail Project Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$2,339,602	\$4,672,081	\$9,389,976	\$25,189,915
0	0	170,402	202,662
264,178	0	0	264,178
5,165	0	325	676,044
0	0	0	311,179
0	0	331,909	357,138
0	0	0	247,324
0	0	0	63,139
398,602	0	573,504	4,932,673
13,659	0	26,120	178,867
0	0	328,697	1,966,848
0	0	54,093	54,093
2,209,853	0	0	5,724,268
548,387	0	0	882,634
0	592,839	0	658,107
<u>\$5,779,446</u>	<u>\$5,264,920</u>	<u>\$10,875,026</u>	<u>\$41,709,069</u>
\$30,859	\$0	\$205,138	\$387,149
58,171	0	118,150	494,775
0	313,775	18,873	332,648
62,239	0	64,117	296,055
0	592,839	0	592,839
17,753	0	29,028	46,781
13,659	0	26,120	62,060
0	0	1,525,389	1,525,389
<u>182,681</u>	<u>906,614</u>	<u>1,986,815</u>	<u>3,737,696</u>
2,069,408	0	0	5,413,258
548,387	0	0	882,634
140,445	0	0	311,010
0	0	114,684	686,375
212,707	0	369,667	2,893,844
0	0	0	311,179
<u>353,152</u>	<u>0</u>	<u>484,351</u>	<u>4,202,408</u>
<u>2,970,947</u>	<u>0</u>	<u>484,351</u>	<u>10,498,300</u>
18,824	0	26,445	920,179
2,606,994	4,358,306	7,960,903	20,359,171
0	0	416,512	510,777
0	0	0	760,130
0	0	0	4,922,816
<u>2,625,818</u>	<u>4,358,306</u>	<u>8,403,860</u>	<u>27,473,073</u>
<u>\$5,779,446</u>	<u>\$5,264,920</u>	<u>\$10,875,026</u>	<u>\$41,709,069</u>

Gallia County
*Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
As of December 31, 2023*

Total Governmental Fund Balances	\$27,473,073
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	131,017,554
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	311,010	
Sales Taxes	686,375	
Grants and Entitlements	2,893,844	
Interest	311,179	
Total	4,202,408	

Unamortized bond insurance premiums do not provide current financial resources and therefore are not reported in the funds.	80,596
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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.	6,827
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Vacation leave benefits payable is recognized for earned vacations and other leave benefits that are to be used within one year but is not recognized on the balance sheet until due.	(949,968)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Accrued Interest Payable	(57,341)	
General Obligation Bonds	(21,659,101)	
OPWC Loans	(84,237)	
Financed Purchases Payable	(414,155)	
Compensated Absences Payable	(345,850)	
Total	(22,560,684)	

The net pension and OPEB liabilities (assets) are not due and payable in the current period; therefore, these liabilities (assets) and related deferred inflows/outflows are not reported in the governmental funds.

Net Pension Asset	123,987	
Net OPEB Asset	85,512	
Deferred Outflows-Pension	9,836,705	
Deferred Outflows-OPEB	1,392,196	
Net Pension Liability	(23,299,972)	
Net OPEB Liability	(463,439)	
Deferred Inflows-Pension	(399,418)	
Deferred Inflows-OPEB	(244,996)	
Total	(12,969,425)	

The internal service fund used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities of the statement of net position.	266,931
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Net Position of Governmental Activities	<u>\$126,567,312</u>
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See accompanying notes to the basic financial statements.

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Gallia County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Motor Vehicle Gasoline Tax	Job and Family Services
Revenues			
Property Taxes	\$2,832,518	\$0	\$0
Sales Taxes	6,273,167	0	0
Other Local Taxes	0	0	0
Payments in Lieu of Taxes	1,631	0	0
Charges for Services	2,149,958	137,407	312,553
Licenses and Permits	2,254	236,534	0
Fines and Forfeitures	208,368	19,286	0
Intergovernmental	1,478,036	6,507,050	6,860,460
Interest	854,982	187,892	0
Rent	123,819	0	12,774
Contributions and Donations	250	0	0
Other	492,783	0	1,192
<i>Total Revenues</i>	<i>14,417,766</i>	<i>7,088,169</i>	<i>7,186,979</i>
Expenditures			
<i>Current:</i>			
<i>General Government:</i>			
Legislative and Executive	5,608,578	0	0
Judicial	1,430,242	0	0
Public Safety	5,573,826	0	0
Public Works	69,227	6,154,512	0
Health	38,937	0	0
Human Services	357,763	0	7,542,335
Community and Economic Development	75,114	0	0
Capital Outlay	69,600	131,262	0
Intergovernmental	119,000	0	0
<i>Debt Service:</i>			
Principal	0	40,350	0
Interest	0	9,265	0
<i>Total Expenditures</i>	<i>13,342,287</i>	<i>6,335,389</i>	<i>7,542,335</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>1,075,479</i>	<i>752,780</i>	<i>(355,356)</i>
Other Financing Sources (Uses)			
Transfers In	0	0	82,659
Proceeds of USDA Loan	0	0	0
Proceeds from Sale of Capital Assets	76,830	0	0
Transfers Out	(1,807,117)	(202,476)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(1,730,287)</i>	<i>(202,476)</i>	<i>82,659</i>
<i>Net Change in Fund Balances</i>	<i>(654,808)</i>	<i>550,304</i>	<i>(272,697)</i>
<i>Fund Balances at Beginning of Year</i>	<i>6,624,721</i>	<i>4,522,675</i>	<i>1,314,894</i>
<i>Fund Balances at End of Year</i>	<i>\$5,969,913</i>	<i>\$5,072,979</i>	<i>\$1,042,197</i>

See accompanying notes to the basic financial statements.

Board of Developmental Disabilities	Jail Project Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$2,084,892	\$0	\$0	\$4,917,410
0	0	1,254,771	7,527,938
0	0	227,575	227,575
1,011	0	0	2,642
561,468	0	2,979,834	6,141,220
0	0	101,100	339,888
0	0	347,117	574,771
1,363,903	0	6,515,841	22,725,290
28,437	0	5,089	1,076,400
29,710	0	47,226	213,529
8,500	0	11,862	20,612
96,231	0	52,144	642,350
4,174,152	0	11,542,559	44,409,625
0	0	1,039,552	6,648,130
0	0	1,449,961	2,880,203
0	0	3,508,910	9,082,736
0	0	592,265	6,816,004
4,007,262	0	94,781	4,140,980
0	0	2,737,054	10,637,152
0	0	592,484	667,598
0	5,134,336	1,057,788	6,392,986
0	0	397,995	516,995
0	0	653,810	694,160
0	0	591,755	601,020
4,007,262	5,134,336	12,716,355	49,077,964
166,890	(5,134,336)	(1,173,796)	(4,668,339)
0	0	1,919,501	2,002,160
0	0	128,989	128,989
0	0	0	76,830
(121,086)	0	0	(2,130,679)
(121,086)	0	2,048,490	77,300
45,804	(5,134,336)	874,694	(4,591,039)
2,580,014	9,492,642	7,529,166	32,064,112
\$2,625,818	\$4,358,306	\$8,403,860	\$27,473,073

Gallia County
*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023*

Net Change in Fund Balances - Total Governmental Funds (\$4,591,039)

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period:

Capital Asset Additions	5,875,074	
Current Year Depreciation	(1,200,307)	
Total		4,674,767

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (188,969)

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

Property Taxes	(39,710)	
Sales Taxes	3,485	
Other Local Taxes	(1,427)	
Charges for Services	33,047	
Grants and Entitlements	11,499	
Interest	273,885	
Other	(8,602)	
Total		272,177

Repayment of bond, loan, and financed purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 694,160

Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities:

Proceeds from USDA Loan	(128,989)	
Total		(128,989)

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

Decrease in Compensated Absences	19,977	
Bond Premiums	17,133	
Vacation Leave Benefits Payable	(180,219)	
Amortization of Deferred Charges on Refunding	(525)	
Amortization of Bond Insurance Premium	(2,218)	
Increase in Accrued Interest Payable	(8,689)	
Total		(154,541)

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

Pensions	2,033,851	
Total		2,033,851

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

Pensions	(3,189,887)	
OPEB	805,670	
Total		(2,384,217)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental funds. (282)

Net Change in Net Position of Governmental Activities \$226,918

See accompanying notes to the basic financial statements.

Gallia County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$3,079,301	\$2,836,801	\$2,836,801	\$0
Sales Taxes	4,385,795	6,285,539	6,285,539	0
Payments in Lieu of Taxes	1,138	1,631	1,631	0
Charges for Services	2,255,461	2,052,547	2,052,547	0
Licenses and Permits	1,573	2,254	2,254	0
Fines and Forfeitures	147,908	211,975	211,975	0
Intergovernmental	1,046,372	1,499,617	1,499,617	0
Interest	535,037	766,792	766,792	0
Rent	101,456	145,402	145,402	0
Contributions and Donations	174	250	250	0
Other	348,363	499,259	499,259	0
<i>Total Revenues</i>	<i>11,902,578</i>	<i>14,302,067</i>	<i>14,302,067</i>	<i>0</i>
Expenditures				
<i>Current:</i>				
<i>General Government:</i>				
Legislative and Executive	4,933,462	5,654,801	5,448,568	206,233
Judicial	1,292,948	1,481,994	1,476,069	5,925
Public Safety	5,051,450	5,790,040	5,490,040	300,000
Public Works	417,457	478,495	69,507	408,988
Health	45,312	51,937	51,937	0
Human Services	312,560	358,260	358,260	0
Community and Economic Development	65,532	75,114	75,114	0
Capital Outlay	60,722	69,600	69,600	0
Intergovernmental	451,046	516,995	119,000	397,995
<i>Total Expenditures</i>	<i>12,630,489</i>	<i>14,477,236</i>	<i>13,158,095</i>	<i>1,319,141</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(727,911)</i>	<i>(175,169)</i>	<i>1,143,972</i>	<i>1,319,141</i>
Other Financing Sources (Uses)				
Transfers In	0	261,370	261,370	0
Proceeds from Sale of Capital Assets	0	76,830	76,830	0
Advances In	0	1,411,111	1,411,111	0
Transfers Out	(1,804,626)	(2,068,487)	(2,068,487)	0
Advances Out	0	(144,216)	(144,216)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(1,804,626)</i>	<i>(463,392)</i>	<i>(463,392)</i>	<i>0</i>
<i>Net Change in Fund Balances</i>	<i>(2,532,537)</i>	<i>(638,561)</i>	<i>680,580</i>	<i>1,319,141</i>
<i>Fund Balances at Beginning of Year</i>	<i>3,521,999</i>	<i>3,521,999</i>	<i>3,521,999</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>54,211</i>	<i>54,211</i>	<i>54,211</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$1,043,673</i>	<i>\$2,937,649</i>	<i>\$4,256,790</i>	<i>\$1,319,141</i>

See accompanying notes to the basic financial statements.

Gallia County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle Gasoline Tax
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$116,661	\$137,407	\$137,407	\$0
Licenses and Permits	200,821	236,534	236,534	0
Fines and Forfeitures	15,350	18,080	18,080	0
Intergovernmental	5,148,937	6,064,588	6,064,588	0
Interest	159,523	187,892	187,892	0
<i>Total Revenues</i>	<u>5,641,292</u>	<u>6,644,501</u>	<u>6,644,501</u>	<u>0</u>
Expenditures				
<i>Current:</i>				
Public Works	5,641,292	6,423,812	6,423,812	0
Capital Outlay	0	22,686	22,686	0
<i>Debt Service:</i>				
Principal	0	40,350	40,350	0
Interest	0	9,265	9,265	0
<i>Total Expenditures</i>	<u>5,641,292</u>	<u>6,496,113</u>	<u>6,496,113</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	148,388	148,388	0
Other Financing Uses				
Transfers Out	0	(202,476)	(202,476)	0
<i>Total Other Financing Uses</i>	<u>0</u>	<u>(202,476)</u>	<u>(202,476)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(54,088)	(54,088)	0
<i>Fund Balances at Beginning of Year</i>	<u>3,203,101</u>	<u>3,203,101</u>	<u>3,203,101</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$3,203,101</u>	<u>\$3,149,013</u>	<u>\$3,149,013</u>	<u>\$0</u>

See accompanying notes to the basic financial statements.

Gallia County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)
Job and Family Services
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$902,349	\$486,731	\$486,731	\$0
Intergovernmental	12,521,663	6,754,242	6,754,242	0
Rent	23,682	12,774	12,774	0
Other	4,175	2,252	2,252	0
<i>Total Revenues</i>	<u>13,451,869</u>	<u>7,255,999</u>	<u>7,255,999</u>	<u>0</u>
Expenditures				
<i>Current:</i>				
Human Services	13,456,869	7,667,097	7,667,097	0
<i>Total Expenditures</i>	<u>13,456,869</u>	<u>7,667,097</u>	<u>7,667,097</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(5,000)	(411,098)	(411,098)	0
Other Financing Sources				
Transfers In	0	82,659	82,659	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>82,659</u>	<u>82,659</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(5,000)	(328,439)	(328,439)	0
<i>Fund Balances at Beginning of Year</i>	<u>1,448,953</u>	<u>1,448,953</u>	<u>1,448,953</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$1,443,953</u>	<u>\$1,120,514</u>	<u>\$1,120,514</u>	<u>\$0</u>

See accompanying notes to the basic financial statements.

Gallia County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)
Board of Developmental Disabilities
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,979,345	\$2,050,938	\$2,050,938	\$0
Payments in Lieu of Taxes	772	1,011	1,011	0
Charges for Services	414,455	542,468	542,468	0
Intergovernmental	1,062,827	1,391,104	1,391,104	0
Rent	44,425	58,147	58,147	0
Contributions and Donations	6,494	8,500	8,500	0
Other	73,522	96,231	96,231	0
<i>Total Revenues</i>	<u>3,581,840</u>	<u>4,148,399</u>	<u>4,148,399</u>	<u>0</u>
Expenditures				
<i>Current:</i>				
Health	3,633,928	4,066,227	4,010,719	55,508
<i>Total Expenditures</i>	<u>3,633,928</u>	<u>4,066,227</u>	<u>4,010,719</u>	<u>55,508</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(52,088)	82,172	137,680	55,508
Other Financing Sources (Uses)				
Advances In	0	17,753	17,753	0
Transfers Out	0	(121,086)	(121,086)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(103,333)</u>	<u>(103,333)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(52,088)	(21,161)	34,347	55,508
<i>Fund Balances at Beginning of Year</i>	2,110,639	2,110,639	2,110,639	0
<i>Prior Year Encumbrances Appropriated</i>	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$2,172,551</u>	<u>\$2,203,478</u>	<u>\$2,258,986</u>	<u>\$55,508</u>

See accompanying notes to the basic financial statements.

Gallia County
Statement of Fund Net Position
Proprietary Funds
As of December 31, 2023

	Business-Type Activities	Governmental Activities
	Sewer	Internal Service
Assets		
<i>Current Assets</i>		
Equity in Pooled Cash and Cash Equivalents	\$7,297,563	\$245,676
Cash and Cash Equivalents with Segregated Accounts	0	21,255
Accounts Receivable	115,940	0
Intergovernmental Receivable	4,488	0
Prepaid Items	10,172	0
Loans Receivable	17,787	0
<i>Total Current Assets</i>	<u>7,445,950</u>	<u>266,931</u>
<i>Noncurrent Assets</i>		
Restricted Cash and Cash Equivalents	68,953	0
Nondepreciable Capital Assets	7,619,193	0
Depreciable Capital Assets, Net	19,047,036	0
<i>Total Noncurrent Assets</i>	<u>26,735,182</u>	<u>0</u>
<i>Total Assets</i>	<u>34,181,132</u>	<u>266,931</u>
Deferred Outflows of Resources		
Pension	292,465	0
OPEB	17,123	0
Asset Retirement Obligations	292,000	0
<i>Total Deferred Outflows of Resources</i>	<u>601,588</u>	<u>0</u>
Liabilities		
<i>Current Liabilities</i>		
Accounts Payable	22,854	0
Accrued Wages and Benefits Payable	4,472	0
Contracts Payable	438,057	0
Intergovernmental Payable	53,512	0
Accrued Interest Payable	81,869	0
Accrued Vacation Leave Payable	11,999	0
Retainage Payable	68,953	0
Interfund Payable	200,543	0
Due to Other Funds	1,079	0
Revenue Bonds Payable - Current Portion	62,600	0
OPWC Loans Payable - Current Portion	30,833	0
OWDA Loans Payable - Current Portion	188,730	0
<i>Total Current Liabilities</i>	<u>1,165,501</u>	<u>0</u>
<i>Noncurrent Liabilities</i>		
Compensated Absences Payable - Net of Current Portion	10,460	0
Revenue Bonds Payable - Net of Current Portion	5,081,400	0
OPWC Loans Payable - Net of Current Portion	1,172,203	0
OWDA Loans Payable - Net of Current Portion	4,619,969	0
Net Pension Liability	266,109	0
Net OPEB Liability	5,452	0
Asset Retirement Obligation	580,000	0
<i>Total Noncurrent Liabilities</i>	<u>11,735,593</u>	<u>0</u>
<i>Total Liabilities</i>	<u>12,901,094</u>	<u>0</u>
Deferred Inflows of Resources		
OPEB	1,799	0
<i>Total Deferred Inflows of Resources</i>	<u>1,799</u>	<u>0</u>
Net Position		
Net Investment in Capital Assets	15,027,919	0
Unrestricted	6,851,908	266,931
<i>Total Net Position</i>	<u>\$21,879,827</u>	<u>\$266,931</u>

See accompanying notes to the basic financial statements.

Gallia County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities	Governmental Activities
	Sewer	Internal Service
Operating Revenues		
Charges for Services	\$654,904	\$0
Other	0	38,688
<i>Total Operating Revenues</i>	<u>654,904</u>	<u>38,688</u>
Operating Expenses		
Salaries and Wages	133,994	0
Fringe Benefits	37,904	38,970
Contractual Services	637,413	0
Materials and Supplies	48,548	0
Depreciation	592,093	0
Other	51,551	0
<i>Total Operating Expenses</i>	<u>1,501,503</u>	<u>38,970</u>
<i>Operating Loss</i>	(846,599)	(282)
Nonoperating Revenues (Expenses)		
Interest	129,849	0
Interest and Fiscal Charges	(277,984)	0
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(148,135)</u>	<u>0</u>
<i>Loss Before Capital Contributions, Transfers, and Special Items</i>	(994,734)	(282)
Capital Contributions	2,776,193	0
Transfers	128,519	0
Special Items	7,002,656	0
<i>Change in Net Position</i>	8,912,634	(282)
<i>Net Position Beginning of Year-Restated</i>	<u>12,967,193</u>	<u>267,213</u>
<i>Net Position End of Year</i>	<u><u>\$21,879,827</u></u>	<u><u>\$266,931</u></u>

See accompanying notes to the basic financial statements.

Gallia County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities	Governmental Activities
	Sewer	Internal Service
<i>Increase (Decrease) in Cash and Cash Equivalents</i>		
Cash Flows from Operating Activities		
Cash Received from Customers	\$938,482	\$0
Cash Payments for Employee Services and Benefits	(153,755)	(38,970)
Cash Payments to Suppliers for Goods and Services	(681,095)	0
Other Operating Revenues	0	38,688
Other Operating Expenses	(51,551)	0
<i>Net Cash Provided (Used) for Operating Activities</i>	52,081	(282)
Cash Flows from Noncapital Financing Activities		
Advances from Other Funds	(177,080)	0
Transfers to Other Funds	128,519	0
<i>Net Cash Used for Noncapital Financing Activities</i>	(48,561)	0
Cash Flows from Capital and Related Financing Activities		
Special Item - Contractor Insurance Settlement	7,002,656	0
Capital Grants	2,914,461	0
Payments for Capital Assets	(3,258,986)	0
Principal Paid on Debt	(338,815)	0
Interest and Fiscal Charges Paid on Debt	(223,703)	0
<i>Net Cash Provided for Noncapital Financing Activities</i>	6,095,613	0
Cash Flows from Investing Activities		
Investment Earnings	129,849	0
<i>Net Cash Provided by Investing Activities</i>	129,849	0
<i>Net Change in Cash and Cash Equivalents</i>	6,228,982	(282)
<i>Cash and Cash Equivalents Beginning of Year</i>	1,137,534	267,213
<i>Cash and Cash Equivalents End of Year</i>	<u>\$7,366,516</u>	<u>\$266,931</u>
Reconciliation of Operating Loss to Net Cash Provided (Used) for Operating Activities		
Operating Loss	(\$846,599)	(\$282)
<i>Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) for Operating Activities:</i>		
Depreciation	592,093	0
<i>Changes in Assets, Liabilities, and Deferred Inflows/Outflows of Resources:</i>		
Decrease in Accounts Receivable	283,578	0
Increase in Prepaid Items	(8,471)	0
Increase in Accounts Payable	22,854	0
Decrease in Accrued Wages and Benefits Payable	(910)	0
Decrease in Contracts Payable	(24,017)	0
Increase in Intergovernmental Payable	52,378	0
Increase in Vacation Leave Benefits Payable	2,809	0
Increase in Compensated Absences Payable	94	0
Decrease in Deferred Outflows for Asset Retirement Obligations	14,500	0
Increase in Deferred Outflows for Pension and OPEB	(309,588)	0
Increase in Deferred Inflows for Pension and OPEB	1,799	0
Increase in Net Pension Liability	266,109	0
Increase in Net OPEB Liability	5,452	0
Net Cash Provided (Used) for Operating Activities	<u>\$52,081</u>	<u>(\$282)</u>

See accompanying notes to the basic financial statements.

Gallia County
Statement of Fiduciary Net Position
Custodial Funds
As of December 31, 2023

Assets

Equity in Pooled Cash and Investments	\$5,819,519
Cash and Cash Equivalents in Segregated Accounts	909,999
Accounts Receivable	136,089
Intergovernmental Receivable	2,106,263
Property Taxes Receivable	31,592,703
Special Assessments Receivable	39,037
<i>Total Assets</i>	<u>40,603,610</u>

Liabilities

Accounts Payable	156,435
Intergovernmental Payable	2,589,953
<i>Total Liabilities</i>	<u>2,746,388</u>

Deferred Inflows of Resources

Property Taxes Not Levied to Finance Current Year Operations	31,592,703
<i>Total Deferred Inflows of Resources</i>	<u>31,592,703</u>

Net Position

Restricted for Individuals, Organizations, and Other Governments	6,264,519
<i>Total Net Position</i>	<u><u>\$6,264,519</u></u>

See accompanying notes to the basic financial statements.

Gallia County
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2023

Additions

Intergovernmental	\$4,691,195
Amounts Received as Fiscal Agent	9,902,826
Licenses, Permits, and Fees for Other Governments	4,592,894
Fines and Forfeitures for Other Governments	875,021
Property Tax Collections for Other Governments	30,887,651
Sheriff Sale Collections for Others	184,800
Amounts Received for Others	193,026
<i>Total Additions</i>	<u>51,327,413</u>

Deductions

Distributions as Fiscal Agent	10,284,161
Distributions of State Funds to Other Governments	4,395,800
Distributions to the State of Ohio	4,549,799
Fines and Forfeitures Distributions to Other Governments	522,582
Property Tax Distributions to Other Governments	30,884,762
Sheriff Sale Distributions to Others	184,059
Other Distributions	177,817
Miscellaneous	38,978
<i>Total Deductions</i>	<u>51,037,958</u>

<i>Change in Net Position</i>	289,455
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<i>Net Position at Beginning of Year</i>	<u>5,975,064</u>
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<i>Net Position at End of Year</i>	<u><u>\$6,264,519</u></u>
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See accompanying notes to the basic financial statements.

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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 material activity during 2023 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 Gallia County Land Reutilization Corporation is a legally separate entity established pursuant to the Ohio Revised Code Section 1724 and 1702. The purpose of the Gallia County Land Reutilization Corporation is to facilitate the effective reutilization of nonproductive land situated within the Gallia County Land Reutilization Corporation's boundaries. The Board of Directors is made up of two County Commissioners, the County Treasurer, one representative from the largest municipal corporation within the County and one member selected by the statutory members. Separately issued financial statements can be obtained from the Gallia County Land Reutilization Corporation, Gallipolis, Ohio. No significant financial activity occurred for the Gallia County Land Reutilization Corporation during 2023. As a result, no financial information for the Gallia County Land Reutilization Corporation is presented in the discretely presented component unit column of the County and no additional disclosures have been made.

Gallia County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

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

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

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

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

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

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

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

Solid Waste Management District
Gallia-Jackson-Meigs Counties Board of Alcohol, Drug Addiction, and Mental Health Services (ADAMH)
Area Agency on Aging, District 7, Inc.
Ohio Valley Resource Conservation and Development Area, Inc.
Gallia-Meigs Community Action Agency
Gallia-Jackson Child Abuse and Neglect Advisory Board
Ohio Valley Regional Development Commission
Southern Ohio Council of Governments

Gallia County
Notes to the Basic Financial Statements
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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.

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 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.

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.

Gallia County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

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

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

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

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

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

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

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

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

Gallia County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Measurement Focus

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

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

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

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 bases of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

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

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

(including motor vehicle license fees and gasoline taxes), fees, and rentals.

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, leases, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes delinquent property taxes, sales taxes, interest, charges for services, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

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.

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 2023 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

Gallia County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year.

Cash and Cash Equivalents

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

The Gallia County Board of Developmental Disabilities has an account held separate from the County's pooled accounts. This depository account is presented as "Cash and Cash Equivalents with Fiscal Agents" since it is not deposited into the County's treasury. Cash and cash equivalents with fiscal agents are reported for monies held in an outside account with United States Department of Agriculture. For 2023, there was \$264,178 in cash with fiscal agents. See Note 6 for additional details.

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

During 2023, the County invested funds in nonnegotiable certificates of deposit and the State Treasury Asset Reserve of Ohio (STAROhio).

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The County measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. Twenty-four hours advanced noticed is appreciated for deposits and redemptions of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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 2023 amounted to \$854,982, which includes \$741,731 assigned from other County funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the County are considered to be cash equivalents.

Inventory

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

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by the creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

assets in the Jail Project Capital Improvement, other governmental, and Sewer enterprise funds represent funds restricted for retainage payable as of December 31, 2023. Unclaimed monies that are required to be held for five years before they may be utilized by the County are reported as restricted in the General Fund.

Receivables and Payables

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Interfund Balances

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

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business type activities column of the government-wide statement of net position and in the respective funds.

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

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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For the Year Ended December 31, 2023

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

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

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

Compensated Absences

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

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

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are reported as "matured compensated absences payable" in the fund from which the employees who will receive the payment are paid. The County did not report any matured compensated absences payable as of December 31, 2023.

Accrued Liabilities and Long-Term Obligations

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

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Fund Balance

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

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

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

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

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

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

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

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

Net Position

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

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other purposes include resources restricted for marriage license services, hotel taxes, election security, and community reinvestment area administration activities.

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

Pensions/Other Postemployment Benefits (OPEB)

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

Operating Revenues and Expenses

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

Internal Activity

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

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence. The County received \$7,002,656 in insurance settlements related to its Green Township Sewer Improvement Phase II project during 2023. The County did not have any extraordinary items in 2023.

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.

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 – NEW ACCOUNTING PRONOUNCEMENTS

For fiscal year 2023, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, Statement No. 96, “Subscription-Based Information Technology Arrangements”, and Statement No. 99, “Omnibus 2022”.

GASB Statement No. 94 provides guidance to improve accounting and financial reporting for public-private and public-public partnership arrangements (commonly referred to as P3s) and availability payment arrangements (APAs). It has guidance for P3 arrangements, including those that are outside of the scope of the GASB’s existing literature for those transactions, namely Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, and Statement No. 87, Leases. The Statement also makes certain improvements to the guidance previously included in Statement 60 and provides accounting and financial reporting guidance for APAs.

GASB Statement No. 96 provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, “Leases”. It:

- Defines a SBITA as a contract that conveys control of the right to use a SBITA vendor’s IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction;
- Requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months); and
- Provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

GASB Statement No. 99 sets out to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

These changes were considered in the preparation of the County’s 2023 financial statements; however, there was no effect on beginning net position/fund balance nor was note disclosure presentation required.

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NOTE 4 - FUND BALANCES

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

Fund Balances	General Fund	Motor Vehicle Gasonline Tax	Job and Family Services	Board of Developmental Disabilities	Jail Project Capital Improvement	Other Governmental Funds	Totals
Nonspendable:							
Inventory	\$10,627	\$659,927	\$0	\$5,165	\$0	\$325	\$676,044
Prepays	116,807	10,136	12,145	13,659	0	26,120	178,867
Unclaimed Monies	65,268	0	0	0	0	0	65,268
<i>Total Nonspendable</i>	192,702	670,063	12,145	18,824	0	26,445	920,179
Restricted for:							
Road and Bridge Projects	0	4,402,916	0	0	0	50,969	4,453,885
Emergency Management Services	0	0	0	0	0	1,841,744	1,841,744
Court Operations	0	0	0	0	0	2,153,993	2,153,993
Real Estate Assessment	0	0	0	0	0	514,189	514,189
Developmental Disabilities	0	0	0	2,606,994	0	0	2,606,994
Job and Family Services	0	0	1,030,052	0	0	0	1,030,052
County Jail Project	0	0	0	0	4,358,306	0	4,358,306
Economic Development	0	0	0	0	0	68,097	68,097
Childrens Services Operations	0	0	0	0	0	1,037,121	1,037,121
Child Support Services	0	0	0	0	0	1,332,823	1,332,823
Capital Projects	0	0	0	0	0	267,331	267,331
Debt Service	0	0	0	0	0	125,824	125,824
Sheriff Operations	0	0	0	0	0	150,213	150,213
Other Purposes	0	0	0	0	0	418,599	418,599
<i>Total Restricted</i>	0	4,402,916	1,030,052	2,606,994	4,358,306	7,960,903	20,359,171
Committed to:							
Public Safety	94,265	0	0	0	0	0	94,265
Emergency Medical Services	0	0	0	0	0	290,223	290,223
Waste Management	0	0	0	0	0	126,289	126,289
<i>Total Committed</i>	94,265	0	0	0	0	416,512	510,777
Assigned to:							
Purchases on Order	73,560	0	0	0	0	0	73,560
Year 2024 Appropriations	503,177	0	0	0	0	0	503,177
Insurance Claims	183,393	0	0	0	0	0	183,393
<i>Total Assigned</i>	760,130	0	0	0	0	0	760,130
Unassigned (Deficit)	4,922,816	0	0	0	0	0	4,922,816
<i>Total Fund Balances</i>	<u>\$5,969,913</u>	<u>\$5,072,979</u>	<u>\$1,042,197</u>	<u>\$2,625,818</u>	<u>\$4,358,306</u>	<u>\$8,403,860</u>	<u>\$27,473,073</u>

NOTE 5 – RESTATEMENT OF BEGINNING BALANCES

The County discovered its previously reported construction in progress was understated and restated beginning net position to correct this balance. This restatement of \$424,426 increased beginning net position in business-type activities/sewer fund from \$12,542,767 to \$12,967,193.

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

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

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

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

Cash with Fiscal Agent The County utilizes a fiscal agent to hold monies from the County Board of Developmental Disabilities supportive living program. The balances in these accounts are presented on the balance sheet as cash and cash equivalents with fiscal agent. As of December 31, 2023, the County is reporting \$264,178 as cash with fiscal agents.

Cash on Hand At year end, the County had \$178,977 in undeposited cash on hand which is included as a part of "Equity in Pooled Cash and Cash Equivalents".

Investments As of December 31, 2023, the County had the following investments and maturities:

	Carrying/Fair Value	Weighted Average Maturity (Years)	S&P Credit Rating	Percentage of Portfolio
STAROhio	\$2,323,803	<1 Year	AAAm	100.00%
Total	<u>\$2,323,803</u>			<u>100.00%</u>

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the County's recurring fair value measurements as of December 31, 2023. As discussed further in note 2, STAROhio is reported at its share price.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy does not address credit risk beyond the requirements of the Ohio Revised Code. The County limited its investments to securities in nonnegotiable certificates of deposit and STAROhio.

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Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single user. The County’s investment policy allows investments in STAROhio, repurchase agreements, and securities or obligations of federal agencies or instrumentalities.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County’s investment policy does not address custodial credit risk beyond the requirements of the Ohio Revised Code. All of the County’s securities are held in the name of the County.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2023, consisted of property taxes, sales taxes, other local taxes, leases, special assessments, accrued interest, accounts (billings for user fees including unbilled utility services), intergovernmental receivables arising from entitlements and shared revenues, and interfund. All receivables, except property taxes and special assessments, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amounts
Gas Excise Tax	\$1,859,041
Motor Vehicle License Tax	909,802
Federal Emergency Management Agency	476,397
Ohio Department of Transportation	14,176
Casino Tax	208,364
Homestead and Rollback	129,311
Local Government	178,500
Public Defender	31,555
Job & Family Services Reimbursements	35,606
Court and Corrections	451,949
Board of Developmental Disabilities Reimbursements	398,602
Children Services	56,005
Emergency Management Performance Grant	29,012
Sheriff's Department Reimbursements	147,972
Child Support Enforcement	1,522
EMS Training and Equipment Grant	4,859
Total Governmental Activities	4,932,673
Business-Type Activities:	
Ohio Department of Development - Tara Estates Project	4,488
Total	<u>\$4,937,161</u>

Leases Receivable

The County is reporting a lease receivable of \$882,634 in the governmental funds at December 31, 2023. This amount represents the discounted future lease payments. This discount is being amortized using the interest method. For 2023, the County reported lease (rent) revenue of \$83,285 and interest revenue of \$48,288 in the governmental funds for these leases. A description of the County’s leasing arrangement is as follows:

The County entered into a lease agreement with Hopewell Health for a five-year term beginning January 16, 2020 and

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ending January 16, 2025. Hopewell Health will remit monthly lease installments of \$3,333 to the County for the term of the lease, which is eligible for two five-year terms.

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

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

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

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

Fiscal Year		
Ending June 30,	Principal	Interest
2024	\$46,752	\$44,040
2025	46,998	41,794
2026	49,347	39,445
2027	51,815	36,977
2028	54,406	34,386
2029-2033	315,657	128,303
2034-2038	230,460	53,500
2039-2040	87,199	6,319
Total	<u>\$882,634</u>	<u>\$384,764</u>

NOTE 8 - TAXES

Property Taxes

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

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

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

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

The full tax rate for all County operations for the year ended December 31, 2023, was \$6.20 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

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Real Property	\$588,143,800
Public Utility Tangible Personal Property	<u>275,836,390</u>
Total Assessed Value	<u><u>\$863,980,190</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 represent real and public utility taxes and outstanding delinquencies which were measurable as of December 31, 2023, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2023 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Permissive Sales and Use Tax

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

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

In 2023, the General Fund received \$6,273,167 and the 9-1-1 Special Revenue Fund received \$1,254,771 in sales and use tax revenue. A receivable is recognized at year end for amounts that will be received from sales which occurred during 2023.

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NOTE 9 - CAPITAL ASSETS

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

	Balance at 12/31/22	Additions	Deductions	Balance at 12/31/23
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$1,355,765	\$0	\$0	\$1,355,765
Infrastructure	97,076,465	108,576	(32,594)	97,152,447
Construction in Progress	15,762,515	5,971,908	(20,971,135)	763,288
Total Capital Assets not being Depreciated	114,194,745	6,080,484	(21,003,729)	99,271,500
Depreciable Capital Assets:				
Land Improvements	207,921	0	0	207,921
Buildings and Improvements	18,374,576	20,453,223	0	38,827,799
Furniture, Fixtures, and Equipment	6,200,879	22,686	(209,202)	6,014,363
Vehicles	4,744,448	289,816	(632,547)	4,401,717
Total Depreciable Capital Assets	29,527,824	20,765,725	(841,749)	49,451,800
Less Accumulated Depreciation:				
Land Improvements	(137,200)	(5,814)	0	(143,014)
Buildings and Improvements	(8,998,036)	(719,306)	0	(9,717,342)
Furniture, Fixtures, and Equipment	(4,717,652)	(196,349)	193,146	(4,720,855)
Vehicles	(3,337,925)	(278,838)	492,228	(3,124,535)
Total Accumulated Depreciation	(17,190,813)	(1,200,307) *	685,374	(17,705,746)
Total Capital Assets being Depreciated, Net	12,337,011	19,565,418	(156,375)	31,746,054
Governmental Activities Capital Assets, Net	<u>\$126,531,756</u>	<u>\$25,645,902</u>	<u>(\$21,160,104)</u>	<u>\$131,017,554</u>

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$119,720
Judicial	6,016
Public Safety	527,798
Public Works	111,553
Health	164,198
Human Services	162,551
Economic Development	108,471
Total Depreciation Expense	<u>\$1,200,307</u>

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	Restated Balance at 12/31/22	Additions	Deductions	Balance at 12/31/23
Business-Type Activities:				
Capital Assets not being Depreciated:				
Construction in Progress	\$16,276,077	\$3,308,441	(\$11,965,325)	\$7,619,193
Total Capital Assets not being Depreciated	16,276,077	3,308,441	(11,965,325)	7,619,193
Depreciable Capital Assets:				
Infrastructure	12,843,735	11,965,325	0	24,809,060
Furniture, Fixtures, and Equipment	143,564	0	0	143,564
Vehicles	93,941	89,700	0	183,641
Total Capital Assets being Depreciated	13,081,240	12,055,025	0	25,136,265
Less Accumulated Depreciation:				
Infrastructure	(5,340,503)	(575,505)	0	(5,916,008)
Furniture, Fixtures, and Equipment	(75,122)	(5,580)	0	(80,702)
Vehicles	(81,511)	(11,008)	0	(92,519)
Total Accumulated Depreciation	(5,497,136)	(592,093)	0	(6,089,229)
Total Capital Assets being Depreciated, Net	7,584,104	11,462,932	0	19,047,036
Business-Type Activities Capital Assets, Net	<u>\$23,860,181</u>	<u>\$14,771,373</u>	<u>(\$11,965,325)</u>	<u>\$26,666,229</u>

See Note 5 for more information on the restated beginning balance.

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

NOTE 10 - RISK MANAGEMENT

Workers' Compensation

For 2023, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see Note 21). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating Counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to Counties that can meet the Plan's selection criteria. The firm of Gates McDonald, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

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

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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 2023, the County contracted with the County Risk Sharing Authority, Inc. (CORSAs), an insurance purchasing pool (see Note 21), for liability, auto, and crime insurance. CORSA, a non-profit corporation sponsored by the County Commissioners of Ohio, was created to provide affordable liability, property, casualty, and crime insurance coverage for its members and was established May 12, 1987. Coverage provided by the program and applicable deductibles are as follows:

Property	Deductible	Limits of Coverage
Real Property	\$2,500	\$103,414,698
General Liability	2,500	1,000,000 Per Occurrence
Law Enforcement	2,500	1,000,000 Per Occurrence
Equipment Breakdown	2,500	100,000,000
Employer's Liability (Stop Gap)	2,500	1,000,000 Per Occurrence
Electronic Equipment/Media Coverage:		
Electronic Media	2,500	250,000 Per Occurrence
Crime Coverage:		
Theft, Disappearance, Destruction	2,500	1,000,000 Per Occurrence
Employee Dishonesty	2,500	1,000,000 Per Occurrence
Forgery and Alteration	2,500	1,000,000 Per Occurrence
Computer Fraud	2,500	500,000 Per Occurrence
Automobile	2,500	1,000,000 Per Occurrence

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

Medical Expense Reimbursement Plan

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

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset)/Net OPEB Liability (Asset)

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description – County employees, other than certified teachers and other faculty members, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members

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

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

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment

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is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

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

*Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

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

***This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the public safety rate.

****These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated at 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contributions for 2023 was \$1,978,085 for the traditional plan and \$36,776 for the combined plan.

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation 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 upon a determination by its actuary that it was necessary 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. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit at any age. In May 2023, the Board extended the eligibility to retire without any actuarial reduction at 34 years of service through July 2028.

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

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

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

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

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

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member of the DC plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The County's contractually required pension contributions to STRS were \$81,358 for 2023.

Pension Liabilities (Assets), 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, 2022, and the net pension liability for STRS was measured as of June 30, 2023. 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:

	OPERS		STRS	Total
	Traditional	Combined		
Proportionate Share of the Net Pension Liability (Asset):				
Current Measurement Date	0.07657140%	0.0526058%	0.00439683%	
Prior Measurement Date	0.07792848%	0.0699510%	0.00413676%	
Change in Proportionate Share	<u>-0.00135708%</u>	<u>-0.0173452%</u>	<u>0.00026007%</u>	
Proportionate Share of the:				
Net Pension Liability	\$22,619,226	\$0	\$946,855	\$23,566,081
Net Pension Asset	0	(123,987)	0	(123,987)
Pension Expense	3,099,957	24,697	62,442	3,187,096

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

	OPERS			
	Traditional	Combined	STRS	Total
<i>Deferred Outflows of Resources</i>				
Differences between expected and actual experience	\$751,317	\$7,623	\$34,520	\$793,460
Net difference between projected and actual earnings on pension plan investments	6,447,190	45,186	0	6,492,376
Changes of assumptions	238,956	8,209	75,142	322,307
Changes in proportion and differences between County's contributions and proportionate share of contributions	346,273	58,391	58,947	463,611
County contributions subsequent to the measurement date	1,978,085	36,776	42,555	2,057,416
Total Deferred Outflows of Resources	<u>\$9,761,821</u>	<u>\$156,185</u>	<u>\$211,164</u>	<u>\$10,129,170</u>
<i>Deferred Inflows of Resources</i>				
Differences between expected and actual experience	\$3	\$17,715	\$2,100	\$19,818
Changes of assumptions	0	0	58,694	58,694
Changes in proportion and differences between County contributions and proportionate share of contributions	269,913	9,544	41,449	320,906
Total Deferred Inflows of Resources	<u>\$269,916</u>	<u>\$27,259</u>	<u>\$102,243</u>	<u>\$399,418</u>

\$2,057,416 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as an increase to the net pension liability or a reduction to the net pension asset in 2024. 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	Combined	STRS	Total
Year Ending December 31:				
2024	\$938,380	\$8,242	(\$2,134)	\$944,488
2025	1,519,436	14,722	(38,618)	1,495,540
2026	1,897,720	17,943	103,122	2,018,785
2027	3,158,284	25,835	3,996	3,188,115
2028	0	7,114	0	7,114
Thereafter	0	18,294	0	18,294
Total	<u>\$7,513,820</u>	<u>\$92,150</u>	<u>\$66,366</u>	<u>\$7,672,336</u>

Actuarial Assumptions - OPERS

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

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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, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

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

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

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

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

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

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00%	

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

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

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
County's proportionate share of the net pension liability (asset)			
Traditional	\$33,882,845	\$22,619,226	\$13,249,915
Combined	(\$64,705)	(\$123,987)	(\$170,969)

Actuarial Assumptions – STRS

All disclosures related to the actuarial assumptions relate to the amounts used for the net pension liability for STRS which was measured as of June 30, 2023.

Key methods and assumptions used in the June 30, 2023 actuarial valuation are presented below:

Inflation	2.50%
Projected salary increases	Varies by service from 2.5% to 8.5%
Investment rate of return	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%
Payroll Increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

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

Actuarial assumptions used in the June 30, 2023 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021.

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

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

*Final target weights reflected at October 1, 2022.

**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, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. 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, 2023.

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	\$1,456,053	\$946,855	\$516,212

NOTE 12 - POSTEMPLOYMENT BENEFITS

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

Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required OPEB contribution was \$0 for 2023.

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.

Gallia County
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For the Year Ended December 31, 2023

Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. The plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the health care plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For 2023, STRS did not allocate any employer contributions to postemployment health care.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The net OPEB asset for STRS was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an independent actuarial valuation as of that date. The County's proportion of the net OPEB asset was based on the County's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense (gain):

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset):			
Current Measurement Date	0.07436592%	0.00439683%	
Prior Measurement Date	<u>0.07542612%</u>	<u>0.00413676%</u>	
Change in Proportionate Share	<u>-0.00106020%</u>	<u>0.00026007%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$468,891	\$0	\$468,891
Net OPEB Asset	0	(85,512)	(85,512)
OPEB Gain	(809,780)	(5,762)	(815,542)

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Gallia County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

At December 31, 2023, 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>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$0	\$133	\$133
Net difference between projected and actual earnings on OPEB plan investments	931,235	152	931,387
Changes of assumptions	457,978	12,597	470,575
Changes in proportion and differences between County's contributions and proportionate share of contributions	6,068	1,156	7,224
Total Deferred Outflows of Resources	<u>\$1,395,281</u>	<u>\$14,038</u>	<u>\$1,409,319</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$116,965	\$13,043	\$130,008
Changes of assumptions	37,683	56,420	94,103
Changes in proportion and differences between County contributions and proportionate share of contributions	19,827	2,857	22,684
Total Deferred Inflows of Resources	<u>\$174,475</u>	<u>\$72,320</u>	<u>\$246,795</u>

No amounts reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as an increase or decrease to the net OPEB liability or asset in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Year Ending December 31:			
2024	\$144,988	(\$26,396)	\$118,592
2025	335,570	(11,262)	324,308
2026	290,388	(4,439)	285,949
2027	449,860	(6,091)	443,769
2028	0	(5,593)	(5,593)
Thereafter	0	(4,501)	(4,501)
Total	<u>\$1,220,806</u>	<u>(\$58,282)</u>	<u>\$1,162,524</u>

Actuarial Assumptions – OPERS

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

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

Gallia County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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

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

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

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

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, 2022, 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	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other Investments	6.00	1.84
Total	100.00 %	

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
County's proportionate share of the net OPEB liability (asset)	\$1,595,893	\$468,891	(\$461,068)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.5

Gallia County
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For the Year Ended December 31, 2023

percent in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate Assumption</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$439,502	\$468,891	\$501,970

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2023 actuarial valuation are presented below:

Projected salary increases	Varies by service from 2.5% to 8.5%
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Discount Rate of Return	7.00 percent
Health Care Cost Trends:	
Medical	
Pre-Medicare	7.50 percent initial, 4.14 percent ultimate
Medicare	-10.94 percent initial, 4.14 percent ultimate
Prescription Drug	
Pre-Medicare	-11.95 percent initial, 4.14 percent ultimate
Medicare	1.33 percent initial, 4.14 percent ultimate

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

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

For 2023, the subsidy percentage for NME retirees was increased effective January 1, 2023 from 2.2% to 2.5%. The freeze on the non-Medicare subsidy base premium was removed effective January 1, 2024. The 6% cap on the year over year increase in ME subsidy was removed effective January 1, 2024.

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:

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

*Final target weights reflected at October 1, 2022.

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

Discount Rate – The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. 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, 2023. 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, 2023.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate – The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB asset	(\$72,375)	(\$85,512)	(\$96,953)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	(\$97,484)	(\$85,512)	(\$71,092)

NOTE 13 - OTHER EMPLOYER BENEFITS

Deferred Compensation Plan

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

Gallia County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Compensated Absences

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

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

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

Insurance Benefits

In 2023, 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 \$1,051.60 for single coverage and \$2,766.76 for family coverage. The County pays \$920.18 of the premiums for single plans and the County's employees pay the remaining balances. The County pays \$2,351.78 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 \$877.17 for single coverage and the employee pays the remaining balance. For family coverage the County pays \$2,306.93 and the Engineer employees pay the remaining balance.

NOTE 14 - SIGNIFICANT COMMITMENTS

Contractual Commitments

As of December 31, 2023, the County had contractual purchase commitments as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 12/31/2023
Governmental Activities:				
Courthouse HVAC Project	General/ARPA	\$842,718	\$155,509	\$687,209
911 Center Radio & Dispatch	General/991 Equipment USDA	594,000	432,779	161,221
Total Governmental Activities		1,436,718	588,288	848,430
Business-Type Activities:				
Green Sewer Improvements	Sewer	8,614,565	2,217,616	6,396,949
Total Contractual Commitments		\$10,051,283	\$2,805,904	\$7,245,379

Gallia County
Notes to the Basic Financial Statements
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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	\$81,504
Nonmajor Governmental Funds	<u>139,520</u>
Total	<u><u>\$221,024</u></u>

NOTE 15 - FOOD STAMPS

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

NOTE 16 - INTERFUND TRANSFERS AND BALANCES

Interfund transfers for the year ended December 31, 2023, consisted of the following:

	Transfers In	Transfers Out
Major Governmental Funds		
General Fund	\$0	\$1,807,117
Motor Vehicle Gasoline Tax Fund	0	202,476
Job and Family Services Fund	82,659	0
Board of Developmental Disabilities	0	121,086
Other Governmental Funds		
Airport Fund	20,000	0
Bond Retirement Fund	1,201,553	0
Dog and Kennel Fund	83,643	0
Emergency Medical Services Fund	525,000	0
Incenerator	29,900	0
Emergency Management Fund	<u>59,405</u>	<u>0</u>
Total Other Governmental Funds	1,919,501	0
Major Enterprise Fund		
Sewer	<u>128,519</u>	<u>0</u>
Total All Funds	<u><u>\$2,130,679</u></u>	<u><u>\$2,130,679</u></u>

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.

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Interfund balances, as of December 31, 2023, consist of the following individual interfund receivables and payables:

	Interfund Receivable	Interfund Payable
Major Governmental Funds		
General Fund	\$246,023	\$0
Job and Family Services Fund	1,301	\$0
Board of Developmental Disabilities	0	17,753
Other Governmental Funds		
Children Services	0	1,301
Court and Corrections Fund	0	23,937
Emergency Management Funds	0	3,790
<i>Total Other Governmental Funds</i>	0	29,028
Major Enterprise Fund		
Sewer	0	200,543
<i>Total All Funds</i>	<u>\$247,324</u>	<u>\$247,324</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.

NOTE 17 - CONTINGENT LIABILITIES

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

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

NOTE 18 – FINANCED PURCHASES

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

Principal and interest requirements to retire the financed purchase agreements as of December 31, 2023, are as follows:

Gallia County
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Year	Governmental Activities	
	Principal	Interest
2024	\$231,938	\$11,005
2025	43,228	6,387
2026	44,743	4,872
2027	46,311	3,303
2028	47,935	1,680
Total	<u>\$414,155</u>	<u>\$27,247</u>

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

Solid Waste Management District

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

The District is governed and operated through three groups. A twelve member Board of Directors, comprised of the three commissioners from each county, is responsible for the District's financial matters. Financial records are maintained by the District. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. A twenty-five member Policy Committee, comprised of six members from each county and one at-large member appointed by the Policy Committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the Policy Committee. Each participating County's influence is limited to the numbers of members each appoints to the Board. Continued existence of the District is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding. The County made no contributions to the District in 2023.

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 2023, the County made no payments to the Board.

Area Agency on Aging, District 7, Inc.

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

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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 Conservation 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 2023, the County made no contributions to the Ohio Valley Resource Conservation and Development Area, Inc.

Gallia-Meigs Community Action Agency

The Gallia-Meigs Community Action Agency (the Agency) is a non-profit corporation organized to plan, conduct and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Gallia and Meigs Counties. The agency is governed by an eighteen member board which consists of three commissioners from each county, three business owners from each county, and three low income individuals elected by each county. The three business owners are nominated by other local business owners and the three low income individuals are nominated by local town council meetings. The Agency received federal and state monies which are applied for and received by, and in the name of, the Board of Directors. The Gallia County Commissioners apply for the Community Housing Improvement Program Grant and the HOME Grant which are administered implemented by the Agency. The County is the fiscal agent for the grant, but the grants are used by the Agency to improve low income family housing in Gallia County. The Agency contracts for expenses that relate to the grants and then the County Commissioners issue the payments. The Board of County Commissioners exercises total control of the budgeting, appropriation, contracting and management. Continued existence of the Agency is not dependent upon the County's continued participation, nor does the County have an equity interest in the Agency. The Agency is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. In 2023, the County paid \$68,245 to the Agency for services provided to the County.

Gallia-Jackson Child Abuse and Neglect Advisory Board

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

Ohio Valley Regional Development Commission

The Ohio Valley Regional Development Commission (the Commission) is a jointly governed organization that serves a twelve county economic development planning district in southern Ohio. The Commission was formed to influence favorably the future economic, physical and social development of Adams, Brown, Clermont, Fayette, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, and Vinton Counties. Membership is comprised of elected and appointed county, municipal, and township officials or their officially appointed designees, as well as members of the private sector, community action agencies and regional planning commissions. The Commission is not dependent upon Gallia County for its continued existence. In 2023, the County paid \$5,844 to the Ohio Valley Regional Development Commission for membership.

Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments (the "Council"), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member

board with each participating County represented by its Director of its Board of Developmental Disabilities (BDD). Member counties include: Adams, Athens, Brown, Fayette, Gallia, Highland, Jackson, Lawrence, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Gallia County BDD's supportive living program monies. As of December 31, 2023, the County had a \$264,178 balance on hand with the Council. These monies are recorded as "Cash and Cash Equivalents with Fiscal Agents" on the County's financial statements. Financial statements can be obtained from the Council at 43 N. Paint St., Chillicothe, Ohio 45601.

Regional Child Abuse Prevention Council

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

NOTE 20 - RELATED ORGANIZATIONS

O.O. McIntyre Park District

The County Probate Judge is responsible for appointing the three-member board of the O.O. McIntyre Park District. Removal of the members requires due process. The County has no ability to impose its will on the organization nor is a benefit/burden relationship exist. The Park District has a one-half mill property tax that is collected by Gallia County and then transferred into the Park District Agency Fund. In addition, the Park District receives one percent of the County's share of Undivided Local Government Revenue Assistance and State income taxes. These items totaled \$2,042 in 2023. The Park District is its own budgeting and taxing authority and has no outstanding debt. The County Auditor serves as the fiscal agent for the Park District; therefore, the financial activity is reflected in the Park District Custodial Fund.

Bossard Memorial Library

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

Gallia Metropolitan Housing Authority

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

NOTE 21 - SHARED RISK POOLS

County Risk Sharing Authority, Inc. (CORSA)

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

Gallia County
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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 2023 was \$223,031.

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.

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Gallia County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 22 - LONG-TERM OBLIGATIONS

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

	Principal Outstanding 12/31/22	Additions	Deductions	Principal Outstanding 12/31/23	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds					
<i>Direct Placements:</i>					
2020 Jail Improvement, Series 2020A:					
Serial Bonds - 3.00-4.00%	\$890,000	\$0	\$115,000	\$775,000	\$115,000
Term Bonds - 2.125-3.000%	6,580,000	0	0	6,580,000	0
Premium on Bonds	242,421	0	6,380	236,041	0
2020 Jail Improvement, Series 2020B:					
Serial Bonds - 3.00-4.00%	940,000	0	100,000	840,000	105,000
Term Bonds - 2.000-3.000%	3,800,000	0	0	3,800,000	0
Premium on Bonds	212,136	0	5,582	206,554	0
County Jail Improvement Bonds, Series 2021					
Serial Bonds - 3.00-4.00%	670,000	0	65,000	605,000	65,000
Term Bonds - 2.000-3.000%	6,215,000	0	0	6,215,000	0
Premium on Bonds	201,688	0	5,171	196,517	0
<i>Direct Borrowings:</i>					
2020 Workshop Renovation - 3.00%	645,000	0	25,000	620,000	30,000
Various Purpose Refunding Bonds Series 2021					
County Building - Term Bonds 4.450%	941,000	0	60,000	881,000	61,000
Parking Lot - Term Bonds - 4.500%	90,000	0	9,000	81,000	9,000
County Building - Term Bonds 3.375%	528,000	0	34,000	494,000	34,000
2023 911 Equipment - Term Bonds 3.75%	0	128,989	0	128,989	12,400
Total General Obligation Bonds	21,955,245	128,989	425,133	21,659,101	431,400
OPWC Loans					
<i>From Direct Borrowings:</i>					
2015 OPWC Road Improvements					
Loan - 0.00%	56,935	0	1,162	55,773	2,324
2019 OPWC Road Improvements					
Loan - 0.00%	29,327	0	863	28,464	1,725
Total OPWC Loans					
From Direct Borrowings	86,262	0	2,025	84,237	4,049
Net Pension Liability:					
OPERS	6,780,093	15,573,024	0	22,353,117	0
STRS	919,607	27,248	0	946,855	0
Total Net Pension Liability	7,699,700	15,600,272	0	23,299,972	0
Net OPEB Liability:					
OPERS	0	463,439	0	463,439	0
Total Net OPEB Liability	0	463,439	0	463,439	0
Financed Purchases	698,290	0	284,135	414,155	231,938
Compensated Absences	365,827	29,660	49,637	345,850	0
Total Governmental Activities	\$30,805,324	\$16,222,360	\$760,930	\$46,266,754	\$667,387

Gallia County
Notes to the Basic Financial Statements
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	Principal Outstanding 12/31/22	Additions	Deductions	Principal Outstanding 12/31/23	Amounts Due in One Year
Business-Type Activities:					
OWDA Loans					
<i>From Direct Borrowings</i>					
2009 Kanauga/Addison Sewer - 0.00%	\$162,000	\$0	\$18,000	\$144,000	\$18,000
2009 Mercerville Sewer - 0.00%	92,793	0	11,599	81,194	11,599
2011 Kanauga/Addison Sewer - 1.00%	365,373	0	15,719	349,654	15,876
2015 Green Sewer - 3.15%	1,379,227	0	36,969	1,342,258	38,142
2022 OWDA #9610 - 0.00%	1,156,148	0	49,473	1,106,675	57,461
2022 OWDA #9608 - 0.00%	145,017	0	6,205	138,812	7,207
2022 OWDA #9609 - 0.00%	1,673,039	0	26,933	1,646,106	40,445
Total OWDA Loans					
From Direct Borrowings	4,973,597	0	164,898	4,808,699	188,730
Revenue Bonds					
<i>From Direct Placements</i>					
2015 USDA Sewer Revenue Bonds - 2.000%	2,802,500	0	60,700	2,741,800	62,000
2021 USDA Sewer Revenue Bonds - 1.375%	2,500,000	0	97,800	2,402,200	600
Total Revenue Bonds					
From Direct Placements	5,302,500	0	158,500	5,144,000	62,600
OPWC Loans					
<i>From Direct Borrowings</i>					
2008 OPWC Kanauga/Addison Sewer - 0.00%	232,916	0	5,417	227,499	10,833
2014 OPWC Green Sewer - 0.00%	510,000	0	10,000	500,000	20,000
2021 OPWC Green Sewer - 0.00%	457,750	17,787	0	475,537	0
Total OPWC Loans					
From Direct Borrowings	1,200,666	17,787	15,417	1,203,036	30,833
Net Pension Liability:					
OPERS	0	266,109	0	266,109	0
Total Net Pension Liability	0	266,109	0	266,109	0
Net OPEB Liability:					
OPERS	0	5,452	0	5,452	0
Total Net OPEB Liability	0	5,452	0	5,452	0
Compensated Absences	10,366	94	0	10,460	0
Asset Retirement Obligations	580,000	0	0	580,000	0
Total Business-Type Activities	\$12,067,129	\$289,442	\$338,815	\$12,017,756	\$282,163

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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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

<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

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Notes to the Basic Financial Statements
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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 2020A outstanding as of December 31, 2023, are as follows:

Year Ended December 31,	Principal	Interest
2024	\$115,000	\$208,031
2025	100,000	204,581
2026	100,000	201,581
2027	105,000	197,581
2028	110,000	193,381
2029-2033	695,000	897,505
2034-2038	850,000	780,437
2039-2043	955,000	675,263
2044-2048	1,075,000	556,969
2049-2053	1,220,000	413,050
2054-2058	1,410,000	222,450
2059-2060	620,000	28,050
	<u>\$7,355,000</u>	<u>\$4,578,879</u>

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
Notes to the Basic Financial Statements
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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 as of December 31, 2023, are as follows:

Year Ended December 31,	Principal	Interest
2024	\$105,000	\$129,913
2025	125,000	126,763
2026	130,000	123,013
2027	120,000	119,113
2028	125,000	115,513
2029-2033	500,000	511,965
2034-2038	495,000	439,865
2039-2043	555,000	383,858
2044-2048	620,000	316,083
2049-2053	705,000	236,119
2054-2058	805,000	126,900
2059-2060	355,000	16,050
	<u>\$4,640,000</u>	<u>\$2,645,155</u>

In July 2020, the County issued General Obligation Bonds in the amount of \$700,000 at 3.00 percent interest for the purpose of renovating the County Board of Developmental Disabilities GALLCO Workshop facility to be leased to a third party. Principal and interest payments are due December 1 of each year through 2040. The bonds will be retired from payments received from the lease of the facility. Principal and interest requirements to retire the Workshop Renovation General Obligation Bonds as of December 31, 2023, are as follows:

Year Ended December 31,	Principal	Interest
2024	\$30,000	\$18,910
2025	30,000	17,946
2026	30,000	17,033
2027	30,000	16,121
2028	30,000	15,250
2029-2033	175,000	60,865
2034-2038	205,000	32,716
2039-2040	90,000	4,111
	<u>\$620,000</u>	<u>\$182,952</u>

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

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

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

Gallia County
Notes to the Basic Financial Statements
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<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 as of December 31, 2023, are as follows:

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Year Ended December 31,	Principal	Interest
2024	\$65,000	\$190,594
2025	70,000	188,644
2026	75,000	185,844
2027	90,000	182,844
2028	90,000	179,244
2029-2033	640,000	835,620
2034-2038	785,000	725,870
2039-2043	900,000	602,145
2044-2048	1,030,000	477,970
2049-2053	1,155,000	342,426
2054-2058	1,335,000	183,882
2059-2060	585,000	23,100
	<u>\$6,820,000</u>	<u>\$4,118,183</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	<u>(\$121)</u>	<u>(\$14)</u>	<u>(\$7,742)</u>	<u>(\$7,877)</u>

The Bonds due December 1, 2036, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption occurred 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:

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

* Maturity

The Bonds will be retired by transfers from the general fund to the bond retirement fund. Principal and interest requirements to retire the governmental activities portion of the 2021 Refunding Bonds outstanding as of December 31, 2023, 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
2024	\$61,000	\$15,418	\$9,000	\$1,418	\$34,000	\$8,645	\$104,000	\$25,481
2025	62,000	14,350	10,000	1,260	35,000	8,050	107,000	23,660
2026	63,000	13,265	10,000	1,085	35,000	7,438	108,000	21,788
2027	64,000	12,163	10,000	910	36,000	6,825	110,000	19,898
2028	65,000	11,043	10,000	735	37,000	6,195	112,000	17,973
2029-2033	344,000	37,696	32,000	1,138	193,000	21,106	569,000	59,940
2034-2036	222,000	7,806	0	0	124,000	4,358	346,000	12,164
	<u>\$881,000</u>	<u>\$111,741</u>	<u>\$81,000</u>	<u>\$6,546</u>	<u>\$494,000</u>	<u>\$62,617</u>	<u>\$1,456,000</u>	<u>\$180,904</u>

In 2023, the Board of County Commissioners issued general obligation bonds from USDA relating to the 911 Equipment Upgrade Project in the amount of \$244,000. The bonds were issued through a direct placement with the United States Department of Agriculture (USDA) to finance the 911 equipment upgrade. As of December 31, 2023, the County has received proceeds from these bonds in the amount of \$128,989. Principal requirements to retire the 911 Equipment Upgrade's bonds outstanding as of December 31, 2023, are as follows:

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Year Ended December 31,	Principal	Interest	Total
2024	\$12,400	\$8,548	\$20,948
2025	12,900	8,685	21,585
2026	13,400	8,202	21,602
2027	13,800	7,699	21,499
2028	14,400	7,201	21,601
2029-2033	80,400	27,411	107,811
2034-2038	96,700	11,147	107,847
	<u>\$244,000</u>	<u>\$78,893</u>	<u>\$322,893</u>

The County's outstanding general obligation bonds from direct borrowings and direct placements related to governmental activities of \$21,659,101 contain no provisions related to events of default with finance related consequences; termination events with finance-related consequences; or subjective acceleration clauses.

In July 2015, the County entered into an Ohio Public Works loan in the amount of \$150,000, interest free, for the purpose of road improvements. Payments will be due January 1 and July 1 of each year through 2047. The loan will be retired the bond retirement fund. Principal requirements to retire the OPWC Road Improvements Loan as of December 31, 2023, are as follows:

Year Ended December 31,	Principal
2024	\$2,324
2025	2,324
2026	2,324
2027	2,324
2028	2,324
2029-2033	11,620
2034-2038	11,620
2039-2043	11,620
2044-2047	9,293
	<u>\$55,773</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 the bond retirement fund. Principal requirements to retire the OPWC Road Improvements Loan as of December 31, 2023, are as follows:

Year Ended December 31,	Principal
2024	\$1,725
2025	1,725
2026	1,725
2027	1,725
2028	1,725
2029-2033	8,625
2034-2038	8,625
2039-2040	2,589
	<u>\$28,464</u>

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

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

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

Business-Type Activities

In 2009, the County entered into a Water Pollution Control Loan Fund (WPCLF) agreement through OWDA which included assistance from the American Reinvestment and Recovery Act (ARRA) in the amount of \$720,000 for additional financing on the Kanauga-Addison Sewer System. This loan has a 0% interest rate and a term of 20 years. \$360,000 of this loan was paid with grant funding from the American Reinvestment and Recovery Act. As of December 31, 2023, \$720,000 was disbursed on this loan; \$360,000 of the loan has been repaid with the above mentioned ARRA grant funding. In accordance with Section 603(d)(1)(c) of the Clean Water Act, the County has established a dedicated source of revenue for repayment of the loan. The dedicated source of repayment for the loan is the sewer use charges in the Gallia County Commissioner's Resolution passed on May 14, 2009. Semi-annual payment amounts are \$9,000 with the date of first payment of January 1, 2012, which was paid during 2011. Principal and interest requirements to retire the County's Kanauga/Addison Sewer OWDA Loan as of December 31, 2023, are as follows:

Year Ended December 31,	Principal
2024	\$18,000
2025	18,000
2026	18,000
2027	18,000
2028	18,000
2029-2031	54,000
	<u>\$144,000</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, 2023, \$450,000 of the loan has been repaid with the above mentioned ARRA grant funding. Principal and interest requirements to retire the County's Mercerville Sewer WPCLF OWDA Loan as of December 31, 2023, are as follows:

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Year Ended December 31,	Principal
2024	\$11,599
2025	11,599
2026	11,599
2027	11,599
2028	11,599
2029-2030	23,199
	<u>\$81,194</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 as of December 31, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	\$15,876	\$3,457	\$19,333
2025	16,035	3,298	19,333
2026	16,196	3,137	19,333
2027	16,358	2,975	19,333
2028	16,522	2,811	19,333
2029-2033	85,129	11,536	96,665
2034-2038	89,482	7,183	96,665
2039-2043	94,056	2,609	96,665
	<u>\$349,654</u>	<u>\$37,006</u>	<u>\$386,660</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 as of December 31, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	\$38,142	\$41,984	\$80,126
2025	39,354	40,772	80,126
2026	40,603	39,523	80,126
2027	41,892	38,234	80,126
2028	43,222	36,904	80,126
2029-2033	237,586	163,044	400,630
2034-2038	277,771	122,859	400,630
2039-2043	324,756	75,874	400,630
2044-2047	298,932	21,572	320,504
	<u>\$1,342,258</u>	<u>\$580,766</u>	<u>\$1,923,024</u>

In 2022, the County entered into an agreement with OWDA to refinance USDA Sewer Revenue Bonds in the amount of \$1,156,148. The loans will be paid from pledged revenues charged for services of the system. Principal and interest

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requirements to retire the County's Sanitary Sewer OWDA Loan as of December 31, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	\$57,461	\$21,302	\$78,763
2025	58,587	20,176	78,763
2026	59,735	19,028	78,763
2027	60,906	17,857	78,763
2028	62,099	16,664	78,763
2029-2033	329,231	64,584	393,815
2034-2038	362,777	31,038	393,815
2039-2040	115,879	2,265	118,144
	<u>\$1,106,675</u>	<u>\$192,914</u>	<u>\$1,299,589</u>

In 2022, the County entered into an agreement with OWDA to refinance USDA Sewer Revenue Bonds in the amount of \$145,017. The loans will be paid from pledged revenues charged for services of the system. Principal and interest requirements to retire the County's Sanitary Sewer OWDA Loan as of December 31, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	\$7,207	\$2,672	\$9,879
2025	7,349	2,530	9,879
2026	7,493	2,386	9,879
2027	7,639	2,240	9,879
2028	7,789	2,090	9,879
2029-2033	41,296	8,099	49,395
2034-2038	45,505	3,890	49,395
2039-2040	14,534	284	14,818
	<u>\$138,812</u>	<u>\$24,191</u>	<u>\$163,003</u>

In 2022, the County entered into an agreement with OWDA to refinance USDA Sewer Revenue Bonds in the amount of \$1,673,039. The loans will be paid from pledged revenues charged for services of the system. Principal and interest requirements to retire the County's Sanitary Sewer OWDA Loan as of December 31, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	\$40,445	\$40,247	\$80,692
2025	41,446	39,246	80,692
2026	42,472	38,220	80,692
2027	43,524	37,168	80,692
2028	44,601	36,091	80,692
2029-2033	240,119	163,341	403,460
2034-2038	271,342	132,118	403,460
2039-2043	306,629	96,831	403,460
2044-2048	346,501	56,959	403,460
2049-2052	269,027	13,395	282,422
	<u>\$1,646,106</u>	<u>\$653,616</u>	<u>\$2,299,722</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.

On May 30, 2015, the Board of County Commissioners accepted a loan/grant offer from USDA relating to Green Sewer with a grant amount of \$3,335,000 and loan portion of \$3,089,000 with terms of 2.00% interest for 40 years with the first payment representing interest being due December 1, 2016, with final payment being December 1, 2055. The Bonds will be repaid from revenues derived from the operations of the County's sewer system. Principal and interest requirements to retire the Sewer Enterprise Fund's bonds outstanding as of December 31, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	\$62,000	\$54,836	\$116,836
2025	63,300	53,596	116,896
2026	64,500	52,330	116,830
2027	65,800	51,040	116,840
2028	67,100	49,724	116,824
2029-2033	356,200	227,948	584,148
2034-2038	393,200	190,876	584,076
2039-2043	434,200	149,946	584,146
2044-2048	479,400	104,754	584,154
2049-2053	529,300	54,858	584,158
2054-2055	226,800	6,826	233,626
	\$2,741,800	\$996,734	\$3,738,534

In 2021, the Board of County Commissioners issued Sewer Revenue Bonds from USDA relating to Green 2 Sanitary Sewer System in the amount of \$2,500,000. The bonds were issued through a direct placement with the United States Department of Agriculture (USDA) to finance the construction of the sanitary sewer system. The Bonds will be repaid from revenues derived from the operations of the County's sewer system. Principal requirements to retire the Sewer Enterprise Fund's bonds outstanding as of December 31, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	\$600	\$33,030	\$33,630
2025	50,200	33,022	83,222
2026	51,000	32,332	83,332
2027	51,600	31,631	83,231
2028	52,300	30,921	83,221
2029-2033	272,600	143,615	416,215
2034-2038	291,900	124,351	416,251
2039-2043	312,500	103,722	416,222
2044-2048	334,700	81,635	416,335
2049-2053	358,200	57,990	416,190
2054-2058	383,600	32,676	416,276
2059-2061	243,000	6,713	249,713
	\$2,402,200	\$711,638	\$3,113,838

The County's outstanding USDA Sewer Revenue bonds from direct placement contain provisions that in the event of

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default the Government, at its option may (1) declare the entire principal amount can be declared outstanding and accrued interest shall be immediately due and payable, (2) incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (3) take possession of the facility, repair, maintain, and operate or rent it.

In July 2008, the County obtained the Kanauga/Addison Sewer OPWC Loan in the amount of \$325,000 at an interest rate of zero percent. Principal payments are due January and July 1 of each year through 2044 in amounts of \$5,417. This loan was entered into for the purpose of expanding the Kanauga/Addison sewer system. The loan will be retired from Sewer Enterprise Fund revenue. Principal and interest requirements to retire the County's Kanauga/Addison Sewer OPWC Loan outstanding as of December 31, 2023, are as follows:

Year Ended December 31,	Principal
2024	\$10,833
2025	10,833
2026	10,833
2027	10,833
2028	10,833
2029-2033	54,165
2034-2038	54,165
2039-2043	54,165
2044	10,839
	<u>\$227,499</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 as of December 31, 2023, are as follows:

Year Ended December 31,	Principal
2024	\$20,000
2025	20,000
2026	20,000
2027	20,000
2028	20,000
2029-2033	100,000
2034-2038	100,000
2039-2043	100,000
2044-2048	100,000
	<u>\$500,000</u>

In August 2019, the County entered into an agreement with Ohio Public Works Commission for a Loan for the purpose of funding the Green Township Sanitary Sewer Improvement Phase III project. The loan was in the amount of \$650,000 at an interest rate of zero percent. As of December 31, 2023, \$475,537 of these proceeds have been drawn. Since the loan has not yet been fully drawn, an amortization is not available. The loan will be retired from Sewer Enterprise Fund revenue.

The County's outstanding OPWC loans from direct borrowings contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the

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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.

Pledged Revenue

The County has pledged future customer revenues, net of specified operating expenses, to repay \$5,144,000 in revenue bonds issued from 2015 to 2021 and \$4,808,699 in OWDA loans issued from 2009 to 2022. Proceeds from these loans provided financing for various sewer projects. The bonds and loans are payable solely from customer net revenues and are payable through 2061. Annual principal and interest payments on the loans should require less than 100 percent of net revenues in future years. Net revenues include all revenues received by the sewer utility less all operating expenses other than depreciation expense. The total principal and interest outstanding to be paid on the revenue bonds are \$6,852,372. The total principal and interest outstanding to be paid on the OWDA loans are \$6,297,192. Principal and interest payments for the current year, including amounts on refinance bonds, were \$248,709 for the revenue bonds and \$298,392 for the OWDA loans. Net revenues were \$2,651,526 and total revenues were \$3,560,946.

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 \$18,711,166 and the unvoted debt margin was \$6,788,324 as of December 31, 2023.

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, 2023, \$2,840,000 of industrial revenue bonds had been issued, and \$0 of those remained outstanding.

NOTE 23 - DECLINING MORTGAGE LOANS

Gallia County administers a loan program with funds provided by the U.S. Department of Housing and Urban Development, through the Ohio Department of Development, Office of Housing and Community Partnerships. The purpose of this program is to provide loans to low and moderate income families for home improvements. Loans are provided as declining mortgage loans with the intent that they do not have to repay 85% of the loan (85% of the loan is released at the end of either a five or ten year period), unless they would sell the residence before the five or ten year period ended. The remaining 15 percent would remain as a mortgage to the property until such time as the owner either pays it off or sells the property. When the owner repays the remaining 15 percent, these monies are deposited into the County's Housing Program Income Fund and then used as a match to current Home Investment Partnership Program Grants. As of December 31, 2023, the total amount of loans outstanding was \$256,960. Due to the nature of these loans, they do not constitute a receivable or pledge and the loans accordingly have not been reported in the accompanying basic financial statements.

NOTE 24 - GALLIA COUNTY LANDFILL

In 1978, Gallia County established the Gallia County Sanitary Landfill. The County contracted with Greg Fields to operate the landfill when it opened. In 1991, Mid-American Waste Systems, Inc. (Mid-American) purchased Greg Field's business. At this time Gallia County operated the landfill on its own for a three month period until the County signed the lease agreement with Mid-American in June 1991. In 2001, the County signed the current lease agreement with USA Waste Services, Inc. (Waste Management). The lease agreement states that Waste Management is the

operator of the landfill and that the County is to receive a portion of the landfill fees. The lease also states that Waste Management will comply with the Ohio Environmental Protection Agency (EPA) closure and post closure requirements; therefore, Waste Management is responsible for these costs unless the County does not renew the lease agreement. The EPA issued a Sub-Title D that states that landfill operators are to purchase a Final Assurance Bond for the closure and post closure costs and Waste Management has met the requirement.

NOTE 25 - ASSET RETIREMENT OBLIGATIONS

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

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

NOTE 26 - 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).

Gallia County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

	General	Motor Vehicle Gasoline Tax	Job and Family Services	Board of Developmental Disabilities
GAAP Basis	(\$654,808)	\$550,304	(\$272,697)	\$45,804
<i>Net Adjustments for:</i>				
Revenue Accruals and Adjustments	(115,699)	(443,668)	69,020	(25,753)
Expenditure Accruals and Adjustments	265,696	(160,724)	(124,762)	(3,457)
Encumbrances	(81,504)	0	0	0
Other Sources (Uses)	1,266,895	0	0	17,753
Budget Basis	\$680,580	(\$54,088)	(\$328,439)	\$34,347

NOTE 27 - SPECIAL INVESTIGATION

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

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Gallia County
Required Supplementary Information
Condition Assessments of the County's Infrastructure
Reported Using the Modified Approach
For the Year Ended December 31, 2023

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

County Roads

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

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

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

The following summarizes the road and bridge conditions as of December 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014.

Road Condition 2023					
Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	148.156	13,690,744.32	33.30%	33.30%
Good	2	264.106	23,668,487.04	57.58%	90.88%
Fair	3	41.569	3,741,994.08	9.10%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		453.921	41,107,878.24	100.00%	

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

Road Condition 2022					
Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	133.064	12,155,610.72	29.57%	29.57%
Good	2	291.526	26,313,899.04	64.01%	93.58%
Fair	3	29.241	2,631,715.68	6.40%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		453.921	41,107,878.24	100.00%	

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

Gallia County
Required Supplementary Information
Condition Assessments of the County's Infrastructure
Reported Using the Modified Approach
For the Year Ended December 31, 2023

Road Condition 2021					
Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	133.064	12,155,610.72	29.57%	29.57%
Good	2	291.526	26,313,899.04	64.01%	93.58%
Fair	3	29.241	2,631,715.68	6.40%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		453.921	41,107,878.24	100.00%	

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

Road Condition 2020					
Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	167.078	15,332,665.36	37.30%	37.30%
Good	2	207.339	18,206,395.68	44.29%	81.59%
Fair	3	79.414	7,562,174.40	18.40%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		453.921	41,107,888.24	100.00%	

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

Road Condition 2019					
Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	214.670	19,601,271.36	47.68%	47.68%
Good	2	191.450	16,974,075.36	41.29%	88.97%
Fair	3	47.710	4,525,878.72	11.01%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		453.920	41,107,878.24	100.00%	

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

Road Condition 2018					
Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	256.140	23,704,750.08	57.54%	57.54%
Good	2	187.290	16,425,948.00	39.87%	97.40%
Fair	3	11.500	1,063,201.92	2.58%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		455.020	41,200,552.80	100.00%	

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

Gallia County
Required Supplementary Information
Condition Assessments of the County's Infrastructure
Reported Using the Modified Approach
For the Year Ended December 31, 2023

Road Condition 2017					
Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	247.700	22,982,636.16	55.80%	55.80%
Good	2	195.560	17,133,763.68	41.60%	97.40%
Fair	3	11.500	1,063,201.92	2.58%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		454.850	41,186,254.56	100.00%	

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

Road Condition 2016					
Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	236.340	21,983,781.60	53.38%	53.38%
Good	2	211.080	18,530,445.12	44.99%	98.37%
Fair	3	7.350	665,375.04	1.62%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		454.860	41,186,254.56	100.00%	

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

Road Condition 2015					
Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	229.590	21,353,655.84	51.85%	51.85%
Good	2	217.820	19,160,000.64	46.52%	98.37%
Fair	3	7.350	665,375.04	1.62%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		454.850	41,185,684.32	100.00%	

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

Road Condition 2014					
Condition Description	Road Condition	Length Miles	Area Sq. Ft.	% of Roads	Accumulated Percent
Excellent	1	212.900	19,872,552.48	48.25%	48.25%
Good	2	234.520	20,641,104.00	50.12%	98.37%
Fair	3	7.350	665,375.04	1.62%	99.98%
Deficient	4	0.090	6,652.80	0.02%	100.00%
Poor	5	0.000	0.00	0.00%	100.00%
Totals		454.860	41,185,684.32	100.00%	

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

Gallia County
Required Supplementary Information
Condition Assessments of the County's Infrastructure
Reported Using the Modified Approach
For the Year Ended December 31, 2023

A comparison of total road condition for 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, in terms of percentage of total road miles is presented below.

Percentage of Miles in Fair or Better Condition

2023	2022	2021	2020	2019
99.98%	99.98%	99.98%	99.98%	99.98%
2018	2017	2016	2015	2014
99.98%	99.98%	99.98%	99.98%	99.98%

Bridge Condition 2023				
Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	5	1.82%	1.82%
Very Good	8	22	8.03%	9.85%
Good	7	41	14.96%	24.82%
Satisfactory	6	106	38.69%	63.50%
Fair	5	78	28.47%	91.97%
Poor	4	19	6.93%	98.91%
Serious	3	2	0.73%	99.64%
Critical	2	1	0.36%	100.00%
Imminent				
Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		274	100.00%	

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

Bridge Condition 2022				
Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	2	0.73%	0.73%
Very Good	8	22	8.03%	8.76%
Good	7	41	14.96%	23.72%
Satisfactory	6	100	36.50%	60.22%
Fair	5	87	31.75%	91.97%
Poor	4	21	7.66%	99.64%
Serious	3	0	0.00%	99.64%
Critical	2	1	0.36%	100.00%
Imminent				
Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		274	100.00%	

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

Gallia County
Required Supplementary Information
Condition Assessments of the County's Infrastructure
Reported Using the Modified Approach
For the Year Ended December 31, 2023

Bridge Condition 2021				
Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	2	0.73%	0.73%
Very Good	8	22	8.03%	8.76%
Good	7	41	14.96%	23.72%
Satisfactory	6	100	36.50%	60.22%
Fair	5	87	31.75%	91.97%
Poor	4	21	7.66%	99.64%
Serious	3	0	0.00%	99.64%
Critical	2	1	0.36%	100.00%
Imminent				
Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		<u>274</u>	<u>100.00%</u>	

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

Bridge Condition 2020				
Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	2	0.73%	0.73%
Very Good	8	21	7.69%	8.42%
Good	7	44	16.12%	24.54%
Satisfactory	6	99	36.26%	60.81%
Fair	5	89	32.60%	93.41%
Poor	4	17	6.23%	99.63%
Serious	3	0	0.00%	99.63%
Critical	2	1	0.37%	100.00%
Imminent				
Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		<u>273</u>	<u>100.00%</u>	

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

Gallia County
Required Supplementary Information
Condition Assessments of the County's Infrastructure
Reported Using the Modified Approach
For the Year Ended December 31, 2023

Bridge Condition 2019				
Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	3	1.10%	1.10%
Very Good	8	20	7.33%	8.42%
Good	7	47	17.22%	25.64%
Satisfactory	6	96	35.16%	60.81%
Fair	5	89	32.60%	93.41%
Poor	4	16	5.86%	99.27%
Serious	3	1	0.37%	99.63%
Critical	2	1	0.37%	100.00%
Imminent				
Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		<u>273</u>	<u>100.00%</u>	

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

Bridge Condition 2018				
Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	3	1.09%	1.09%
Very Good	8	19	6.88%	7.97%
Good	7	48	17.39%	25.36%
Satisfactory	6	92	33.33%	58.70%
Fair	5	97	35.14%	93.84%
Poor	4	15	5.43%	99.28%
Serious	3	1	0.36%	99.64%
Critical	2	1	0.36%	100.00%
Imminent				
Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		<u>276</u>	<u>100.00%</u>	

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

Gallia County
Required Supplementary Information
Condition Assessments of the County's Infrastructure
Reported Using the Modified Approach
For the Year Ended December 31, 2023

Bridge Condition 2017				
Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	9	3.25%	3.25%
Very Good	8	19	6.86%	10.11%
Good	7	44	15.88%	25.99%
Satisfactory	6	91	32.85%	58.84%
Fair	5	95	34.30%	93.14%
Poor	4	16	5.78%	98.92%
Serious	3	2	0.72%	99.64%
Critical	2	1	0.36%	100.00%
Imminent				
Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		<u>277</u>	<u>100.00%</u>	

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

Bridge Condition 2016				
Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	9	3.25%	3.25%
Very Good	8	19	6.86%	10.11%
Good	7	44	15.88%	25.99%
Satisfactory	6	91	32.85%	58.84%
Fair	5	95	34.30%	93.14%
Poor	4	16	5.78%	98.92%
Serious	3	2	0.72%	99.64%
Critical	2	1	0.36%	100.00%
Imminent				
Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		<u>277</u>	<u>100.00%</u>	

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

Gallia County
Required Supplementary Information
Condition Assessments of the County's Infrastructure
Reported Using the Modified Approach
For the Year Ended December 31, 2023

Bridge Condition 2015				
Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	13	4.69%	4.69%
Very Good	8	30	10.83%	15.52%
Good	7	52	18.77%	34.30%
Satisfactory	6	66	23.83%	58.12%
Fair	5	92	33.21%	91.34%
Poor	4	21	7.58%	98.92%
Serious	3	2	0.72%	99.64%
Critical	2	1	0.36%	100.00%
Imminent				
Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		<u>277</u>	<u>100.00%</u>	

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

Bridge Condition 2014				
Condition Description	Bridge Condition	# of Bridges	% of Bridges	Accumulated Percent
Excellent	9	8	2.89%	2.89%
Very Good	8	30	10.83%	13.72%
Good	7	52	18.77%	32.49%
Satisfactory	6	66	23.83%	56.32%
Fair	5	94	33.94%	90.25%
Poor	4	24	8.66%	98.92%
Serious	3	2	0.72%	99.64%
Critical	2	1	0.36%	100.00%
Imminent				
Failure	1	0	0.00%	100.00%
Closed	0	0	0.00%	100.00%
Totals		<u>277</u>	<u>100.00%</u>	

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

Gallia County
Required Supplementary Information
Condition Assessments of the County's Infrastructure
Reported Using the Modified Approach
For the Year Ended December 31, 2023

A comparison of total bridge conditions for 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, in terms of percentage of total road miles is presented below.

Percentage of Bridge Structures in Fair or Better Condition

2023	2022	2021	2020	2019
91.97%	91.97%	91.97%	93.40%	93.40%
2018	2017	2016	2015	2014
93.84%	93.14%	93.14%	91.34%	90.25%

Budgeted versus actual expenditures for combined road and bridge maintenance in 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013 were:

Year	Budgeted	Actual	Difference
2023	\$6,048,589	\$6,048,589	\$0
2022	4,521,847	4,521,847	0
2021	5,296,765	7,419,715	(2,122,950)
2020	4,600,000	5,964,257	(1,364,257)
2019	4,586,803	4,274,206	312,597
2018	4,288,603	4,857,726	(569,123)
2017	4,463,074	4,558,820	(95,746)
2016	4,361,344	4,508,154	(146,810)
2015	4,429,444	4,152,520	276,924
2014	4,581,744	4,773,651	(191,907)
2013	4,220,114	5,874,749	(1,654,635)

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Gallia County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability (Asset)
Ohio Public Employees Retirement System
Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>Pension - Traditional (1)</i>										
County's proportion of the net pension liability	0.07841440%	0.07841440%	0.07510800%	0.07229004%	0.07427973%	0.07587183%	0.07554384%	0.07611325%	0.07792848%	0.07657140%
County's proportionate share of the net pension liability	\$9,244,037	\$9,457,652	\$13,009,651	\$16,415,839	\$11,653,050	\$20,779,756	\$14,931,753	\$11,270,715	\$6,780,093	\$22,619,226
County's covered-employee payroll	\$9,102,506	\$9,328,120	\$9,115,196	\$9,547,765	\$9,495,447	\$9,564,590	\$10,281,979	\$10,590,175	\$10,999,067	\$11,754,693
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	101.55%	101.39%	142.72%	171.93%	122.72%	217.26%	145.22%	106.43%	61.64%	192.43%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%	84.66%	74.70%	82.17%	86.88%	92.62%	75.74%
<i>Pension - Combined (2)</i>										
County's proportion of the net pension liability	N/A	N/A	N/A	N/A	0.0625060%	0.0719203%	0.0746164%	0.0766768%	0.0699510%	0.0526058%
County's proportionate share of the net pension liability	N/A	N/A	N/A	N/A	\$85,091	\$80,423	\$155,593	(\$221,338)	(\$275,610)	(\$123,987)
County's covered-employee payroll	N/A	N/A	N/A	N/A	\$255,993	\$307,600	\$332,157	\$345,864	\$322,693	\$244,136
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	33.24%	26.15%	46.84%	-64.00%	-85.41%	-50.79%
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A	N/A	N/A	137.28%	126.64%	145.28%	157.67%	169.88%	137.14%
<i>OPEB (3)</i>										
County's proportion of the net OPEB liability (asset)	N/A	N/A	N/A	0.07058310%	0.07203600%	0.07375686%	0.07345410%	0.07412935%	0.07542612%	0.07436592%
County's proportionate share of the net OPEB liability (asset)	N/A	N/A	N/A	\$7,129,133	\$7,822,579	\$9,616,153	\$10,145,919	(\$1,320,674)	(\$2,362,462)	\$468,891
County's covered-employee payroll	N/A	N/A	N/A	\$9,985,448	\$9,892,239	\$10,006,990	\$10,746,236	\$11,084,239	\$11,123,167	\$11,998,829
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	71.40%	79.08%	96.09%	94.41%	-11.91%	-21.24%	3.91%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	54.04%	54.14%	46.33%	47.80%	115.57%	128.23%	94.79%

The amounts presented for each year were determined as of December 31 of the previous year, which is the County's measurement date.

(1) Information not available prior to 2014.

(2) Information not available prior to 2018.

(3) Information not available prior to 2017.

See accompanying notes to the required supplementary information.

Gallia County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability (Asset)
State Teachers Retirement System of Ohio
Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Pension										
County's proportion of the net pension liability	0.004753690%	0.005068640%	0.004511460%	0.004049900%	0.003782070%	0.004098570%	0.004427400%	0.004553980%	0.004136760%	0.004396830%
County's proportionate share of the net pension liability	\$1,156,262	\$1,400,824	\$1,510,122	\$962,062	\$831,592	\$906,374	\$1,071,273	\$582,267	\$919,607	\$946,855
County's covered-employee payroll	\$523,054	\$528,829	\$474,693	\$445,236	\$429,957	\$481,186	\$534,321	\$561,929	\$573,186	\$563,221
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	221.06%	264.89%	318.13%	216.08%	193.41%	188.36%	200.49%	103.62%	160.44%	168.11%
Plan fiduciary net position as a percentage of the total pension liability	74.71%	72.09%	66.80%	75.30%	77.30%	77.40%	75.50%	87.80%	78.90%	80.00%
OPEB (1)										
County's proportion of the net OPEB liability (asset)	N/A	N/A	N/A	0.004049900%	0.003782070%	0.004098570%	0.004427400%	0.004553980%	0.004136760%	0.004396830%
County's proportionate share of the net OPEB (asset)	N/A	N/A	N/A	\$0	(\$60,774)	(\$67,882)	(\$77,811)	(\$96,017)	(\$107,114)	(\$85,512)
County's proportionate share of the net OPEB liability (asset)	N/A	N/A	N/A	\$158,012	\$0	\$0	\$0	\$0	\$0	\$0
County's covered-employee payroll	N/A	N/A	N/A	\$445,236	\$429,957	\$481,186	\$534,321	\$561,929	\$573,186	\$563,221
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	35.49%	-14.13%	-14.11%	-14.56%	-17.09%	-18.69%	-15.18%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	47.11%	176.00%	174.74%	182.10%	174.70%	230.70%	168.50%

The amounts presented for each year were determined as of June 30 of the current year, which is the County's measurement date.

(1) Information not available prior to 2017.

See accompanying notes to the required supplementary information.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ohio Public Employees Retirement System-Traditional Plan										
Contractually required contribution - pension	\$1,156,715	\$1,131,895	\$1,189,572	\$1,282,704	\$1,386,207	\$1,489,150	\$1,537,295	\$1,601,357	\$1,645,657	\$1,978,085
Contractually required contribution - OPEB (1)	0	0	198,262	98,670	0	0	0	0	0	0
Contractually required contribution - total	1,156,715	1,131,895	1,387,834	1,381,374	1,386,207	1,489,150	1,537,295	1,601,357	1,645,657	1,978,085
Contributions in relation to the contractually required contribution	1,156,715	1,131,895	1,387,834	1,381,374	1,386,207	1,489,150	1,537,295	1,601,357	1,645,657	1,978,085
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
County's covered-employee payroll	\$9,328,120	\$9,115,196	\$9,547,765	\$9,495,447	\$9,564,590	\$10,281,979	\$10,590,175	\$10,999,067	\$11,754,693	\$14,129,179
Contributions as a percentage of covered-employee payroll - pension	12.40%	12.42%	12.46%	13.51%	14.49%	14.48%	14.52%	14.56%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB (1)	0.00%	0.00%	2.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	12.40%	12.42%	14.46%	14.51%	14.49%	14.48%	14.52%	14.56%	14.00%	14.00%
Ohio Public Employees Retirement System-Combined Plan										
Contractually required contribution - pension	\$30,345	\$28,716	\$29,842	\$33,279	\$43,064	\$46,502	\$48,421	\$45,177	\$34,179	\$36,776
Contractually required contribution - OPEB (1)	0	0	4,974	2,560	0	0	0	0	0	0
Contractually required contribution - total	30,345	28,716	34,816	35,839	43,064	46,502	48,421	45,177	34,179	36,776
Contributions in relation to the contractually required contribution	30,345	28,716	34,816	35,839	43,064	46,502	48,421	45,177	34,179	36,776
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
County's covered-employee payroll	\$252,875	\$239,300	\$248,686	\$255,993	\$307,600	\$332,157	\$345,864	\$322,693	\$244,136	\$262,686
Contributions as a percentage of covered-employee payroll - pension	12.00%	12.00%	12.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB (1)	0.00%	0.00%	2.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	12.00%	12.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
State Teachers Retirement System										
Contractually required contribution - pension	\$69,885	\$72,698	\$69,572	\$49,257	\$64,461	\$71,419	\$76,455	\$80,246	\$78,851	\$81,358
Contractually required contribution - OPEB	2,189	0	0	0	0	0	0	0	0	0
Contractually required contribution - total	72,074	72,698	69,572	49,257	64,461	71,419	76,455	80,246	78,851	81,358
Contributions in relation to the contractually required contribution	72,074	72,698	69,572	49,257	64,461	71,419	76,455	80,246	78,851	81,358
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
County's covered-employee payroll	\$514,814	\$519,271	\$496,943	\$351,836	\$460,436	\$510,136	\$546,107	\$573,186	\$563,221	\$581,129
Contributions as a percentage of covered-employee payroll - pension	13.57%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Information not available prior to 2016.

See accompanying notes to the required supplementary information.

Note 1 – Ohio Public Employees Retirement System

Pension

Changes in benefit terms

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

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

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

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

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

There were no significant changes in benefit terms for 2023.

Changes in assumptions

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

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

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

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

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

There were no significant changes in assumptions for 2023.

OPEB

Changes in benefit terms

There were no significant changes in benefit terms for 2018 through 2023.

Changes in assumptions

Changes in assumptions for 2018 were as follows:

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

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

- The single discount rate increased from 3.85 percent to 3.96 percent.

Gallia County
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

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

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

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

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

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

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

- The wage inflation rate decreased from 3.25 percent to 2.75 percent.
- The municipal bond rate decreased from 2.00 percent to 1.84 percent.
- The initial health care cost trend rate decreased from 8.50 percent to 5.50 percent.

For 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 6.00 percent to 5.22 percent.
- The municipal bond rate increased from 1.84 percent to 4.05 percent.

Note 2 – State Teachers Retirement System

Pension

Changes in Assumptions

There were no changes in assumptions for 2023.

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

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

Gallia County
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

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

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

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

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

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

OPEB

Changes in Assumptions

There were no changes in assumptions for 2023.

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

Gallia County
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

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

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

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

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

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

Changes in Benefit Terms

For 2023, the subsidy percentage for NME retirees was increased effective January 1, 2023 from 2.2% to 2.5%. The freeze on the non-Medicare subsidy base premium was removed effective January 1, 2024. The 6% cap on the year over year increase in ME subsidy was removed effective January 1, 2024.

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

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

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

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

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

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GALLIA COUNTY

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education and Workforce				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	\$0	\$5,533
National School Lunch Program	10.555	N/A	0	9,862
COVID-19 National School Lunch Program	10.555	N/A	0	6,184
Total National School Lunch Program			0	16,046
Total Child Nutrition Cluster				21,579
Passed through Ohio Department of Job and Family Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6927	0	146,536
	10.561	G-2425-11-6137	0	59,787
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6927	0	35,430
			0	241,753
Passed through Ohio Department of Natural Resources				
Schools and Roads - Grants to States	10.665	N/A	0	10,191
Passed through Ohio Department of Development				
Water and Waste Disposal System for Rural Communities Program	10.760	N/A	0	602,370
Direct from Federal Government				
Community Facilities Loans and Grants	10.766	N/A	0	132,779
Total U.S. Department of Agriculture			0	1,008,672
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Ohio Department of Development				
Community Development Block Grant - State's Program	14.228	B-W-19-1AY-1	0	223,187
		B-F-21-1AY-1	0	64,648
		B-X-21-1AY-1	0	177,871
		B-D-22-1AY-1	0	2,164
		B-F-23-1AY-1	0	2,494
		B-X-23-1AY-1	0	3,108
Total Community Development Block Grant - State's Program			0	473,472
Total U.S. Department of Housing and Urban Development			0	473,472
U.S. DEPARTMENT OF THE INTERIOR				
Direct from the Federal Government				
Payments in Lieu of Taxes	15.226	N/A	0	30,187
Passed through Ohio Department of Natural Resources				
National Forest Acquired Lands	15.438	N/A	0	48,892
Total U.S. Department of the Interior			0	79,079
U.S. DEPARTMENT OF JUSTICE				
Passed through the Ohio Attorney Generals Office				
Crime Victim Assistance	16.575	2023-VOCA-135106464	0	10,994
		2023-VOCA-135106455	0	53,447
		2024-VOCA-135499752	0	3,126
		2024-VOCA-135499749	0	18,174
Total Crime Victim Assistance			0	85,741
Direct from Federal Government				
Bulletproof Vest Partnership Program	16.607	N/A	0	2,960
Total U.S. Department of Justice			0	88,701
U.S. DEPARTMENT OF LABOR				
Passed Through Workforce Investment Act Area 7				
Unemployment Insurance	17.225	N/A	0	18,533
Trade Adjustment Assistance	17.245	N/A	0	1,841
Workforce Investment Act (WIA) National Emergency Grants	17.277	N/A	0	51,691
Employment Services Cluster:				
Employer Service/Wagner-Peyser Funded Activities	17.207	N/A	0	11,549
Workforce Investment Opportunity Act (WIOA) Cluster:				
WIOA Adult Program	17.258	N/A	0	83,908
WIOA Youth Activities	17.259	N/A	6,504	104,087
WIOA Dislocated Worker Formula Grants	17.278	N/A	0	78,382
Total Workforce Investment Opportunity Act (WIOA) Cluster			6,504	266,377
Total U.S. Department of Labor			6,504	349,991

GALLIA COUNTY

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Direct from the Federal Government</i>				
Airport Improvement Program	20.106	N/A	0	67,000
<i>Passed Through Ohio Department of Transportation</i>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	N/A	0	34,927
Total U.S. Department of Transportation			0	101,927
U.S. DEPARTMENT OF THE TREASURY				
<i>Direct from the Federal Government</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	1,570,640
<i>Passed through Ohio Department of Public Safety</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	2022-AR-CCB-1116	0	63,266
<i>Passed through Ohio Department of Job and Family Services</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	G-2223-11-6927	0	55,805
Coronavirus State and Local Fiscal Recovery Funds		G-2425-11-6137	0	134,212
<i>Passed through Ohio Department of Development</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	1,015,841
Total U.S. Department of the Treasury			0	2,839,764
U.S. DEPARTMENT OF EDUCATION				
<i>Passed through Ohio Department of Education and Workforce</i>				
Special Education Cluster (IDEA):				
Special Education-Grants to States	84.027A	N/A	0	24,230
Special Education-Preschool Grants	84.173A	N/A	0	8,673
Total Special Education Cluster (IDEA)			0	32,903
Education Stabilization Fund - Governor's Emergency Education Relief Fund	84.425C	N/A	0	17,558
Total U.S. Department of Education			0	50,461
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through Ohio Department of Job and Family Services</i>				
Title IV-E Prevention Program	93.472	G-2223-11-6927	0	84,017
Marylee Allen Promoting Safe and Stable Families	93.556	G-2223-11-6927	0	17,127
		G-2425-11-6137	0	13,091
Total Marylee Allen Promoting Safe and Stable Families			0	30,218
Temporary Assistance for Needy Families	93.558	G-2021-11-5927	0	59,983
		G-2223-11-6927	1,555,893	2,643,899
		G-2425-11-6137	0	70,301
Total Temporary Assistance for Needy Families			1,555,893	2,774,183
Child Support Enforcement	93.563	G-1617-11-5513	0	1,000
		G-2223-11-6927	0	559,366
		G-2425-11-6137	0	169,494
Total Child Support Enforcement			0	729,860
Child Support Services Research	93.564	G-2223-11-6927	71,787	76,226
		G-2425-11-6137	48,065	48,065
Total Child Support Services Research			119,852	124,291
Child Care and Development Block Grant	93.575	G-2223-11-6927	0	36,219
		G-2425-11-6137	0	8,916
Total Child Care and Development Block Grant			0	45,135
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6927	0	44,652
		G-2425-11-6137	0	42,535
Total Stephanie Tubbs Jones Child Welfare Services Program			0	87,187
Foster Care Title IV-E	93.658	G-2223-11-6927	0	334,269
		G-2425-11-6137	0	116,429
Total Foster Care Title IV-E			0	450,698
Adoption Assistance	93.659	G-2223-11-6927	0	119,091
		G-2425-11-6137	0	54,278
Total Adoption Assistance			0	173,369
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2223-11-6927	0	4,607
Elder Abuse Prevention Interventions Program	93.747	G-2021-11-5927	0	17,126
Children's Health Insurance Program	93.767	G-2223-11-6927	0	10,319
		G-2425-11-6137	0	4,032
Total Children's Health Insurance Program			0	14,351
Medical Assistance Program	93.778	G-2223-11-6927	0	892,036
		G-2425-11-6137	0	282,501
Total Medical Assistance Program			0	1,174,537

GALLIA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 20223
(Continued)

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
<i>Passed through Ohio Department of Developmental Disabilities</i>				
Social Services Block Grant	93.667	N/A	0	20,210
<i>Passed through Ohio Department of Job and Family Services</i>				
Social Services Block Grant	93.667	G-2223-11-6927 G-2425-11-6137	106,539 31,334	167,605 9,738
Total Social Services Block Grant			137,873	197,553
Total U.S. Department of Health and Human Services			1,813,618	5,907,132
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed through Ohio Department of Public Safety - Emergency Management Agency</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4424-DR-053-07E59-00	0	357,298
Emergency Management Performance Grants	97.042	EMC-2022-EP-00006	0	51,181
Total U.S. Department of Homeland Security			0	408,479
Total Expenditures of Federal Awards			\$1,820,122	\$11,307,678

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, 2023

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 - SUBRECIPIENTS

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

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

NOTE 5 - CHILD NUTRITION CLUSTER

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

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

The current cash balance on the County's local program income account as of December 31, 2023 is \$89,897.

NOTE 7 - MATCHING REQUIREMENTS

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

OHIO AUDITOR OF STATE KEITH FABER

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

Gallia County
18 Locust Street
Gallipolis, Ohio 45631

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gallia County, Ohio (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 23, 2025, wherein we qualified our opinion on the Business-Type Activities and Sewer Fund because we were unable to determine the accuracy and completeness of amounts reported as Charges for Services receipts and Accounts Receivable. We also noted the County restated beginning Net Position in the Business-Type Activities and Sewer Fund due to previously understated Construction in Progress.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-002, 2023-004 and 2023-005 to be material weaknesses.

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. We consider the deficiency described in the accompanying Schedule of Findings as item 2023-003 to be a significant deficiency.

Report on Compliance and Other Matters

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

County's 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

January 23, 2025



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

Gallia County
18 Locust Street
Gallipolis, Ohio 45631

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

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

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, Gallia County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2023.

Unmodified Opinion on each of the Other Major Federal Programs

In our opinion, Gallia County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings for the year ended December 31, 2023.

Basis for Qualified and Unmodified Opinions

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

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

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

As described in Finding 2023-006 in the accompanying Schedule of Findings, the County did not comply with requirements regarding Reporting applicable to its Coronavirus State and Local Fiscal Recovery Funds AL #21.027 major federal program.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings as item 2022-006, to be a material weakness.

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

January 23, 2025

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GALLIA COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Qualified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified on AL # 21.027; Unmodified on AL # 93.558 & 93.563
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list): AL # 21.027 – Coronavirus State and Local Fiscal Recovery Funds AL # 93.558 – Temporary Assistance for Needy Families (TANF) AL # 93.563 – Child Support Enforcement	
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2023-001

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, 2023
(Continued)**

<p>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>
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FINDING NUMBER 2023-001 (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 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 Board of Commissioners, 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, 33% of the transactions tested throughout the year were not certified by the County Auditor at the time the commitment was incurred, and there was no evidence the County followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

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.

GALLIA COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023
(Continued)

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

FINDING NUMBER 2023-001 (Continued)

Noncompliance (Continued)

Officials' Response:

Per a county commissioner resolution from 2007, purchases of less than \$1000 are exempt from the prior certification requirement. We will ensure amounts over \$1000 include the Then and Now language if they are not appropriately certified prior to obligation.

FINDING NUMBER 2023-002

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 the following errors. As a result, the following adjustment was required:

Original estimated receipts for the General Fund were increased \$823,377 due to not including the budgeted amounts for all funds in the original estimated receipts that were included in the final estimated receipts, original and final appropriations and actual receipts and disbursements

In addition, the County restated beginning Net Position in the Business-Type Activities/Sewer Fund by \$424,426 due to previously unreported construction in progress Capital Assets.

To ensure the County's financial statements and notes to the financial statements are complete and accurate, the County Auditor should review the basic financial statements for accuracy prior to filing those statements in the Hinkle System.

Officials' Response:

The Auditor and Commissioner's offices will ensure in the future that we will monitor the work of our IPA for accuracy.

GALLIA COUNTY

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

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

FINDING NUMBER 2023-003

Significant Deficiency

The County Sewer Department did a system upgrade during 2023. During testing of sewer utility payments, we noted 7% of accounts tested had payments posted to the Daily Summary Cash Journal on a certain date (per the old system), but the payment was not posted in the Account History (per the new system) until a later date. As such, penalties were added in the Account History and when the payment was finally posted to the Account History, the payment amount appeared to be the original payment plus the late fee amount. An adjustment was often then posted to remove the penalty portion from the payment amount and an adjustment was posted to remove the penalty charge. Ultimately, payments were posted in the Account History report but were often a month or more after the payment date per the Daily Summary Cash Journal.

Due to the system upgrade, we were unable to determine if the date and amount discrepancies were due to errors during the upgrade process or due to manipulation of the Account History at the time of payment per the Daily Summary Cash Journal.

The Sewer Department should ensure the payment date and amount per the Daily Summary Cash Journal agrees to the date and amounts per the Account History.

Official's Response:

The Commissioner's Office and Sewer Department will ensure that the Daily Summary Cash Journal matches Authority Finance Pay-In amounts and date received.

FINDING NUMBER 2023-004

Material Weakness

The County Sewer Department did a system upgrade during 2023. As part of the upgrade, the new system had an initial batch 3 receipt total of \$8,832,619.79 which was offset by a batch 5 total of (\$366,798.31). These initial batches posted activity to 2023 reports which included amounts from as far back as 2010. This resulted in the Utility System reporting total receipts for 2023 of \$9,166,220.05 whereas the County Detail Receipts Ledger reported total charges for services receipts of \$937,705.84 for a variance of \$8,228,514.21. We were able to determine the amounts from Batch 3 and Batch 5 that related to 2023 activity and remove activity prior to 2023 for a net reduction of \$8,364,631.36 from the 2023 utility system receipt totals. This left utility system adjusted total receipts of \$801,588.69, for a variance of (\$136,117.15) between the utility department and county ledgers. We further noted the County Detail Receipts Ledger included receipts from special assessments that were not posted in the utility system totaling \$28,360.33 which left a final variance of (107,756.82). This resulted in the County recording 13% more in receipts than the utility department so we were unable to determine if all collections were subject to testing.

As a result, we qualified our opinion on Business Type Activities and the Sewer Fund.

In the future, when performing system upgrades, the County Sewer Department should work with the software company to ensure only current year activity rolls forward into the updated system. Additionally, the Sewer Department should perform monthly reconciliations between the utility system receipt totals and the County receipt totals. Reconciling items between the County ledgers and utility system should be identified and documented on the monthly reconciliations.

GALLIA COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023
(Continued)

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

FINDING NUMBER 2023-004 (Continued)

Material Weakness (Continued)

Officials' Response:

We will implement the recommendations of the AOS.

FINDING NUMBER 2023-005

Material Weakness

The County Sewer Department wrote off account balances of \$353,346 in 2023 however, there was no indication in the minute record that the County Commissioners approved the write-offs. The account history was used for support showing the delinquent balance at the time the account was written off. Most of the accounts written off were long delinquent accounts that had been turned over to the County Auditor for assessment on the tax bill in 2023 or in a prior year. There were \$172,936 in delinquent account balances turned over to the County Auditor for assessment in 2023 (for new delinquencies in 2022 and 2023 as no assessment was made in 2022) that were included in the amount written off in the utility system. We were unable to determine what portion of the additional \$180,410 or 51% written off that related to prior year assessments or if the write-off occurred for a different reason.

We also noted the County does not have an allowance for doubtful accounts and considers all past due balances as receivable. Since the delinquent balances were retained in the computer system as past due in prior years, due to the application of General Accepted Accounting Principles (GAAP), the accounts receivable amount (current billed amount due plus past due balances) was recorded as a receivable and a revenue. However, during 2023, those past due balances for the current and prior years were written off in the utility system which significantly reduced the accounts receivable total at year end. They were not identified or booked as a receivable through the tax assessment process leaving those accounts written off in the utility system out of the accounts receivable calculation in 2023. This has resulted in a cash basis receipt charges for services total of \$937,706 but a GAAP basis total of \$654,904. Since the accounts turned over to the County Auditor for tax assessment are still considered receivable but no longer included in the accounts receivable balance, we cannot determine the Sewer accounts receivable balance which has resulted in accounts receivable and sewer charges for services being materially misstated.

As a result, we qualified our opinion on Business Type Activities and the Sewer Fund.

The Sewer Department should maintain supporting documents for amounts that are written off. The support could include the special assessment list turned over to the county auditor, documentation of an error that is being corrected, or other supporting documents. The amounts turned over for special assessment should be approved by the County Commissioners annually. The County Commissioners should also approve amounts written off for other purposes on a monthly basis to ensure all amounts written off are valid and have proper support and approval. The Sewer Department should also maintain a running balance of all accounts turned over for assessment for inclusion in the accounts receivable calculation. This should include total balance turned over for collection in current and prior years less any payments received to get an accurate receivable balance at year end. Since the accounts have been written off in the utility system, this could be tracked on a spreadsheet or adjusted back into the utility system.

GALLIA COUNTY

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

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

FINDING NUMBER 2023-005 (Continued)

Material Weakness (Continued)

Officials' Response:

We are aware of the issues and have implemented internal controls to ensure this does not happen in the future.

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Title of Finding:	Reporting
Finding Number:	2023-006
Assistance Listing Number and Title:	AL # 21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award Identification Number / Year	2022
Federal Agency:	U.S. Department of the Treasury
Compliance Requirement:	Section L – Reporting
Pass-Through Entity:	No
Repeat Finding from Prior Audit?	Yes

Noncompliance and Material Weakness

2 CFR 1000.10 gives regulatory effect to the Department of Treasury for 2 CFR 200.329 which states the recipient is responsible for oversight of the Federal Award. The recipient must monitor its activities under Federal Awards to ensure they are compliant with all requirements and meeting performance expectations. Monitoring by the recipient must cover each program, function or activity. Compliance and Reporting Guidance for the program states that Project and Expenditure Reports are to be submitted by April 30th, 2022 and then annually thereafter. Project and Expenditures Reports are also to include current and cumulative obligations and current and cumulative expenditures.

Gallia County ARPA Project Identification Number 2023-01 was overstated \$1,657,292 due to prior period overstatements of cumulative expenditures from the reporting period of 4/1/2022-3/31/2023 not being corrected. In addition, the Gallia County ARPA Project Identification Number 2024-01 was understated \$1,149,079 for current and cumulative expenditures for reporting period 4/1/23-3/31/24, partly due to including expenditures in the 2023-01 project. The net overstatement of expenditures in the Revenue Loss category was \$508,213 on the 2024 Annual Report.

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

Officials' Response:

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

Gallia County Commissioners

Gallia County Courthouse
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Gallipolis, Ohio 45631
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Leslie R. Henry, President
Q. Jay Stapleton, Vice President
Jeremy A. Kroll, Commissioner

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

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

Finding Number	Finding Summary	Status	Additional Information
2022-001	Noncompliance with Ohio Rev. Code § 5705.41(D)(1) for lack of proper encumbering and incorrect use of Super Blanket Certificates	Not Corrected	Per a county commissioner resolution from 2007, purchases of less than \$1000 are exempt from the prior certification requirement. We will ensure amounts over \$1000 include the Then and Now language if they are not appropriately certified prior to obligation.
2022-002	Material Weakness for financial statement errors	Not Corrected	The Auditor and Commissioner's offices will ensure in the future that we will monitor the work of our IPA for accuracy.
2022-003	Material Weakness for budgetary amounts in accounting system not agreeing to approved amounts	Corrected	
2022-004	Material Weakness for Sewer Department not certifying delinquent accounts to the County Treasurer for assessment on the tax bill	Corrected	
2022-005	Noncompliance with 2 CFR 200.329 and Material Weakness for reporting errors in AL # 21.027	Not Corrected	Report will be filed by deadlines with corrections to 2022 and 2023 Revenue Loss Expenditures.

Gallia County Commissioners

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This institution is an equal opportunity provider and employer.

Leslie R. Henry, President
Q. Jay Stapleton, Vice President
Jeremy A. Kroll, Commissioner

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

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) DECEMBER 31, 2023

Finding Number: 2023-001

Planned Corrective Action: Per a county commissioner resolution from 2007, purchases of less than \$1000 are exempt from the prior certification requirement. We will ensure amounts over \$1000 include the Then and Now language if they are not appropriately certified prior to obligation.

Anticipated Completion Date: Immediate

Responsible Contact Person: Robbie Jacks, County Auditor

Finding Number: 2023-002

Planned Corrective Action: The Auditor and Commissioner's offices will ensure in the future that we will monitor the work of our IPA for accuracy.

Anticipated Completion Date: Immediate

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

Finding Number: 2023-003

Planned Corrective Action: The Commissioner's Office and Sewer Department will ensure that the Daily Summary Cash Journal matches Authority Finance Pay-In amounts and date received.

Anticipated Completion Date: Immediate

Responsible Contact Person: Jayne Peck, Assistant Clerk

Finding Number: 2023-004

Planned Corrective Action: We will implement the recommendations of the Auditor of State.

Anticipated Completion Date: Immediate

Responsible Contact Person: Brian Rutherford, County Administrator

GALLIA COUNTY

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2023
(Continued)**

Finding Number: 2023-005

Planned Corrective Action: We are aware of the issues and have implemented internal controls to ensure this does not happen in the future.

Anticipated Completion Date: Immediate

Responsible Contact Person: Brian Rutherford, County Administrator

Finding Number: 2023-006

Planned Corrective Action: Once verified, the information will be supplemented within the ARPA reporting system.

Anticipated Completion Date: March 15, 2025

Responsible Contact Person: Tom White, Special Projects Manager

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 2/4/2025

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

This report is a matter of public record and is available online at
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