



OHIO AUDITOR OF STATE  
**KEITH FABER**





**HARRISON COUNTY  
DECEMBER 31, 2024**

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**HARRISON COUNTY  
DECEMBER 31, 2024**

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# OHIO AUDITOR OF STATE

## KEITH FABER



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### INDEPENDENT AUDITOR'S REPORT

Harrison County  
100 West Market Street  
Cadiz, Ohio 43907

To the Board of Commissioners:

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Harrison County, Ohio (the County), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2024, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General, Board of Developmental Disabilities, and Gas Tax Funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

##### ***Basis for Opinions***

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

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

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

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

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

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

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

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

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

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

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

***Supplementary Information***

Our audit was conducted 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 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, this schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 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  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 8, 2025

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**Harrison County, Ohio**  
*Statement of Net Position - Cash Basis*  
*December 31, 2024*

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 51,446,581	\$ 1,422,102	\$ 52,868,683
Cash and Cash Equivalents in Segregated Accounts	194,182	-	194,182
<i>Total Assets</i>	<u>51,640,763</u>	<u>1,422,102</u>	<u>53,062,865</u>
<b>Net Position</b>			
Restricted for:			
Capital Outlay	18,096,925	-	18,096,925
Debt Service	126	-	126
Legislative and Executive	2,651,344	-	2,651,344
Judicial	2,258,157	-	2,258,157
Public Works	2,343,160	-	2,343,160
Human Services	3,954,361	-	3,954,361
Health	5,685,279	-	5,685,279
Public Safety	2,717,171	-	2,717,171
Other Purposes	396,270	-	396,270
Unrestricted	<u>13,537,970</u>	<u>1,422,102</u>	<u>14,960,072</u>
<i>Total Net Position</i>	<u>\$ 51,640,763</u>	<u>\$ 1,422,102</u>	<u>\$ 53,062,865</u>

See accompanying notes to the basic financial statements.

**Harrison County, Ohio**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2024*

	Program Receipts					Net (Disbursement) Receipts and Changes in Net Position					
	Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total				
<b>Governmental Activities</b>											
General Government											
Legislative and Executive	\$ 5,741,044	\$ 2,073,655	\$ 52,333	\$ -	\$ (3,615,056)	\$ -	\$ (3,615,056)				
Judicial	2,311,195	501,753	503,440	-	(1,306,002)	-	(1,306,002)				
Public Safety	6,439,693	914,384	416,507	-	(5,108,802)	-	(5,108,802)				
Public Health	3,817,483	71,529	446,518	-	(3,299,436)	-	(3,299,436)				
Human Services	8,860,777	479,140	4,410,644	-	(3,970,993)	-	(3,970,993)				
Public Works	7,428,935	1,263,266	5,482,703	-	(682,966)	-	(682,966)				
Conservation and Recreation	70,081	-	-	-	(70,081)	-	(70,081)				
Capital Outlay	16,964,597	-	489,141	14,075,756	(2,399,700)	-	(2,399,700)				
Debt Service											
Principal Retirement	36,519	-	-	-	(36,519)	-	(36,519)				
Interest and Fiscal Charges	427,500	-	-	-	(427,500)	-	(427,500)				
<i>Total Governmental Activities</i>	<i>52,097,824</i>	<i>5,303,727</i>	<i>11,801,286</i>	<i>14,075,756</i>	<i>(20,917,055)</i>	<i>-</i>	<i>(20,917,055)</i>				
<b>Business-Type Activities</b>											
Water	631,373	391,943	-	-	-	(239,430)	(239,430)				
Sewer	5,193,151	100,213	-	3,593,367	-	(1,499,571)	(1,499,571)				
Public Transit	721,802	374,828	810,701	-	-	463,727	463,727				
<i>Total Business-Type Activities</i>	<i>6,546,326</i>	<i>866,984</i>	<i>810,701</i>	<i>3,593,367</i>	<i>-</i>	<i>(1,275,274)</i>	<i>(1,275,274)</i>				
<i>Total</i>	<i>\$ 58,644,150</i>	<i>\$ 6,170,711</i>	<i>\$ 12,611,987</i>	<i>\$ 17,669,123</i>	<i>(20,917,055)</i>	<i>(1,275,274)</i>	<i>(22,192,329)</i>				
<b>General Receipts</b>											
Property Taxes Levied for:											
General Purposes				2,785,836	-	2,785,836					
Health				2,664,194	-	2,664,194					
County Home				1,946,851	-	1,946,851					
Human Services				995,974	-	995,974					
Public Safety				2,340,831	-	2,340,831					
Other Purposes				807,224	-	807,224					
Sales Taxes Levied for:											
General Purposes				3,425,197	-	3,425,197					
Capital Outlay				1,141,732	-	1,141,732					
Other Purposes				44,087	-	44,087					
Grants and Entitlements not Restricted to Specific Programs											
Payments in Lieu of Taxes				3,422	-	3,422					
Other Local Taxes				69,801	-	69,801					
Proceeds of OWDA Loans				-	1,826,151	1,826,151					
Investment Earnings				2,182,083	-	2,182,083					
Miscellaneous				4,123,405	8,097	4,131,502					
<i>Total General Receipts</i>				<i>23,760,334</i>	<i>1,834,248</i>	<i>25,594,582</i>					
Transfers				(280,000)	280,000	-					
<i>Total General Receipts and Transfers</i>				<i>23,480,334</i>	<i>2,114,248</i>	<i>25,594,582</i>					
<i>Change in Net Position</i>											
<i>Net Position Beginning of Year</i>				<i>49,077,484</i>	<i>583,128</i>	<i>49,660,612</i>					
<i>Net Position End of Year</i>				<i>\$ 51,640,763</i>	<i>\$ 1,422,102</i>	<i>\$ 53,062,865</i>					

See accompanying notes to the basic financial statements.

**Harrison County, Ohio**  
*Statement of Cash Basis Assets and Fund Balance*  
*Governmental Funds*  
*December 31, 2024*

	General	Board of Developmental Disabilities Fund	Gas Tax Fund	Capital Improvement Fund	Justice Center Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Investments	\$ 13,147,669	\$ 5,583,250	\$ 2,136,923	\$ 5,563,023	\$ 7,819,953	\$ 16,708,096	\$ 50,958,914
Cash and Cash Equivalents in Segregated Accounts	<u>158,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,430</u>	<u>194,182</u>
<i>Total Assets</i>	<u><u>\$ 13,306,421</u></u>	<u><u>\$ 5,583,250</u></u>	<u><u>\$ 2,136,923</u></u>	<u><u>\$ 5,563,023</u></u>	<u><u>\$ 7,819,953</u></u>	<u><u>\$ 16,743,526</u></u>	<u><u>\$ 51,153,096</u></u>
<b>Fund Balances</b>							
Nonspendable	\$ 184,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,509
Restricted	-	5,583,250	2,136,923	5,563,023	7,819,953	16,815,135	37,918,284
Assigned	23,521	-	-	-	-	-	23,521
Unassigned	13,098,391	-	-	-	-	(71,609)	13,026,782
<i>Total Fund Balance</i>	<u><u>\$ 13,306,421</u></u>	<u><u>\$ 5,583,250</u></u>	<u><u>\$ 2,136,923</u></u>	<u><u>\$ 5,563,023</u></u>	<u><u>\$ 7,819,953</u></u>	<u><u>\$ 16,743,526</u></u>	<u><u>\$ 51,153,096</u></u>

See accompanying notes to the basic financial statements.

**Harrison County, Ohio**

*Reconciliation of Total Governmental Fund Balances to  
Net Position - Cash Assets of Governmental Activities  
December 31, 2024*

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<b>Total Governmental Fund Balances</b>	\$ 51,153,096
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*Amounts reported for governmental activities in the statement of net position are different because:*

An internal service fund is used by management to charge the costs of insurance to individual funds.

The assets and net position of the internal service fund are included in governmental activities in  
the statement of net position.

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487,667

<i>Net Position of Governmental Activities</i>	<hr/> <u>\$ 51,640,763</u>
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See accompanying notes to the basic financial statements.

**Harrison County, Ohio**  
**Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances**  
**Governmental Funds**  
*For the Year Ended December 31, 2024*

	Board of General	Developmental Disabilities Fund	Gas Tax Fund	County Home Fund	Capital Improvement Fund	Justice Center Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>								
Property Taxes	\$ 2,785,836	\$ 2,664,194	\$ -	\$ -	\$ 776,378	\$ 45,669	\$ 6,090,880	\$ 11,540,910
Sales Taxes	3,425,197	-	-	-	-	-	363,772	4,611,016
Other Local Taxes	-	-	-	-	-	-	69,801	69,801
Payments in Lieu of Taxes	3,422	-	-	-	-	-	-	3,422
Special Assessments	-	-	-	-	-	-	5,304	5,304
Charges for Services	1,295,862	-	1,216,968	-	-	-	2,630,031	5,142,861
Licenses and Permits	1,383	-	19,800	-	-	-	-	21,183
Fines and Forfeitures	61,545	-	23,549	-	-	-	54,589	139,683
Intergovernmental	1,229,697	386,317	5,112,842	-	-	10,841,404	8,508,170	26,078,430
Investment Income	2,182,083	-	4,790	-	-	-	-	2,186,873
Contributions and Donations	-	-	-	-	-	-	1,018,215	1,018,215
Miscellaneous	3,360,556	354,300	85,599	-	-	-	322,950	4,123,405
<i>Total Receipts</i>	<i>14,345,581</i>	<i>3,404,811</i>	<i>6,463,548</i>	<i>-</i>	<i>776,378</i>	<i>10,887,073</i>	<i>19,063,712</i>	<i>54,941,103</i>
<b>Disbursements</b>								
Current:								
General Government	4,744,049	-	-	-	-	-	996,308	5,740,357
Legislative and Executive	1,593,209	-	-	-	-	-	717,833	2,311,042
Judicial	-	-	-	-	-	-	-	-
Public Safety	2,260,773	-	-	-	-	-	4,178,549	6,439,322
Public Health	-	3,712,775	-	-	-	-	104,708	3,817,483
Human Services	497,566	-	-	-	-	-	8,362,634	8,860,200
Public Works	145,771	-	5,585,540	-	-	-	1,697,340	7,428,651
Conservation and Recreation	70,081	-	-	-	-	-	-	70,081
Capital Outlay	-	-	1,140,871	-	300,277	11,847,197	3,676,252	16,964,597
Debt Service:	-	-	-	-	-	-	-	-
Principal Retirement	-	-	36,519	-	-	-	-	36,519
Interest and Fiscal Charges	-	-	-	-	-	427,500	-	427,500
<i>Total Disbursements</i>	<i>9,311,449</i>	<i>3,712,775</i>	<i>6,762,930</i>	<i>-</i>	<i>300,277</i>	<i>12,274,697</i>	<i>19,733,624</i>	<i>52,095,752</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>5,034,132</i>	<i>(307,964)</i>	<i>(299,382)</i>	<i>-</i>	<i>476,101</i>	<i>(1,387,624)</i>	<i>(669,912)</i>	<i>2,845,351</i>
<b>Other Financing Sources (Uses)</b>								
Advances In	2,104,427	-	-	-	-	-	1,641,042	3,745,469
Advances Out	(1,641,042)	-	(21,587)	-	-	-	(2,082,840)	(3,745,469)
Transfers In	-	-	-	-	-	-	856,745	856,745
Transfers Out	(1,136,745)	-	-	-	-	-	-	(1,136,745)
<i>Total Other Financing Sources (Uses)</i>	<i>(673,360)</i>	<i>-</i>	<i>(21,587)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>414,947</i>	<i>(280,000)</i>
<i>Net Change in Fund Balances</i>	<i>4,360,772</i>	<i>(307,964)</i>	<i>(320,969)</i>	<i>-</i>	<i>476,101</i>	<i>(1,387,624)</i>	<i>(254,965)</i>	<i>2,565,351</i>
<i>Fund Balances Beginning of Year, as previously presented</i>	<i>8,945,649</i>	<i>5,891,214</i>	<i>2,457,892</i>	<i>1,085,146</i>	<i>5,086,922</i>	<i>9,207,577</i>	<i>15,913,345</i>	<i>48,587,745</i>
<i>Change within Financial Reporting Entity:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(1,085,146)</i>	<i>-</i>	<i>-</i>	<i>1,085,146</i>	<i>-</i>
<i>Fund Balance Beginning of Year, as adjusted</i>	<i>8,945,649</i>	<i>5,891,214</i>	<i>2,457,892</i>	<i>-</i>	<i>5,086,922</i>	<i>9,207,577</i>	<i>16,998,491</i>	<i>48,587,745</i>
<i>Fund Balances End of Year</i>	<i>\$ 13,306,421</i>	<i>\$ 5,583,250</i>	<i>\$ 2,136,923</i>	<i>\$ -</i>	<i>\$ 5,563,023</i>	<i>\$ 7,819,953</i>	<i>\$ 16,743,526</i>	<i>\$ 51,153,096</i>

See accompanying notes to the basic financial statements.



**Harrison County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes in  
 In Cash Basis Fund Balance - Budget and Actual (Budget Basis)*  
**General Fund**  
*For the Year Ended December 31, 2024*

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	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property Taxes	\$ 2,507,000	\$ 2,786,433	\$ 2,785,836	\$ (597)
Sales Taxes	2,700,000	2,900,000	3,425,197	525,197
Payments in Lieu of Taxes	-	4,000	3,422	(578)
Charges for Services	908,259	991,259	999,712	8,453
Licenses and Permits	1,600	1,600	1,383	(217)
Fines and Forfeitures	65,000	65,000	61,057	(3,943)
Intergovernmental	847,807	906,246	1,229,697	323,451
Investment Income	650,000	1,950,000	2,182,083	232,083
Miscellaneous	765,000	3,069,800	3,260,222	190,422
<i>Total Receipts</i>	<u>8,444,666</u>	<u>12,674,338</u>	<u>13,948,609</u>	<u>1,274,271</u>
<b>Disbursements</b>				
Current:				
General Government				
Legislative and Executive	4,054,704	4,512,212	4,282,104	230,108
Judicial	1,492,978	1,826,511	1,593,209	233,302
Public Safety	2,160,105	1,950,105	1,759,688	190,417
Human Services	514,897	522,227	497,566	24,661
Public Works	202,000	202,000	145,771	56,229
Conservation and Recreation	-	-	70,081	(70,081)
<i>Total Disbursements</i>	<u>8,424,684</u>	<u>9,013,055</u>	<u>8,348,419</u>	<u>664,636</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>19,982</u>	<u>3,661,283</u>	<u>5,600,190</u>	<u>1,938,907</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	-	-	2,104,427	2,104,427
Advances Out	(400,000)	(400,000)	(1,641,042)	(1,241,042)
Transfers Out	(909,683)	(1,494,683)	(1,421,745)	72,938
<i>Total Other Financing Sources (Uses)</i>	<u>(1,309,683)</u>	<u>(1,894,683)</u>	<u>(958,360)</u>	<u>936,323</u>
<i>Net Change in Fund Balance</i>	<u>(1,289,701)</u>	<u>1,766,600</u>	<u>4,641,830</u>	<u>2,875,230</u>
<i>Fund Balance Beginning of Year</i>	<u>7,812,909</u>	<u>7,812,909</u>	<u>7,812,909</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 6,523,208</u>	<u>\$ 9,579,509</u>	<u>\$ 12,454,739</u>	<u>\$ 2,875,230</u>

See accompanying notes to the basic financial statements.

**Harrison County, Ohio**

*Statement of Cash Receipts, Disbursements and Changes in  
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)  
Board of Developmental Disabilities Fund  
For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Receipts</b>				
Property Taxes	\$ 2,400,000	\$ 2,659,407	\$ 2,664,194	\$ 4,787
Intergovernmental	322,796	352,796	386,317	33,521
Contributions and Donations	100	100	-	(100)
Miscellaneous	32,204	292,204	354,300	62,096
<i>Total Receipts</i>	<u>2,755,100</u>	<u>3,304,507</u>	<u>3,404,811</u>	<u>100,304</u>
<b>Disbursements</b>				
Current:				
Public Health	2,432,947	4,432,947	3,725,621	707,326
<i>Net Change in Fund Balance</i>	322,153	(1,128,440)	(320,810)	807,630
<i>Fund Balance Beginning of Year</i>	<u>5,864,032</u>	<u>5,864,032</u>	<u>5,864,032</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 6,186,185</u>	<u>\$ 4,735,592</u>	<u>\$ 5,543,222</u>	<u>\$ 807,630</u>

See accompanying notes to the basic financial statements.

**Harrison County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes in  
 In Cash Basis Fund Balance - Budget and Actual (Budget Basis)*  
**Gas Tax Fund**  
*For the Year Ended December 31, 2024*

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	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Receipts</b>				
Charges for Services	\$ 685,000	\$ 1,075,406	\$ 1,216,968	\$ 141,562
Licenses and Permits	8,500	16,150	19,800	3,650
Fines and Forfeitures	20,000	20,000	23,549	3,549
Intergovernmental	4,540,000	4,540,000	5,112,842	572,842
Investment Income	7,000	7,000	4,790	(2,210)
Miscellaneous	18,000	95,299	85,599	(9,700)
<i>Total Receipts</i>	<u>5,278,500</u>	<u>5,753,855</u>	<u>6,463,548</u>	<u>709,693</u>
<b>Disbursements</b>				
Current:				
Public Works	6,586,731	6,586,731	5,585,539	1,001,192
Capital Outlay	900,871	1,140,871	1,140,871	-
Debt Service:				
Principal Retirement	145,000	145,000	36,520	108,480
<i>Total Disbursements</i>	<u>7,632,602</u>	<u>7,872,602</u>	<u>6,762,930</u>	<u>1,109,672</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,354,102)</u>	<u>(2,118,747)</u>	<u>(299,382)</u>	<u>1,819,365</u>
<b>Other Financing Sources (Uses)</b>				
Advances Out	-	-	(21,587)	(21,587)
<i>Net Change in Fund Balance</i>	<u>(2,354,102)</u>	<u>(2,118,747)</u>	<u>(320,969)</u>	<u>1,797,778</u>
<i>Fund Balance Beginning of Year</i>	<u>2,461,817</u>	<u>2,461,817</u>	<u>2,461,817</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 107,715</u>	<u>\$ 343,070</u>	<u>\$ 2,140,848</u>	<u>\$ 1,797,778</u>

See accompanying notes to the basic financial statements.

**Harrison County, Ohio**  
*Statement of Fund Net Position - Cash Basis*  
*Proprietary Funds*  
*December 31, 2024*

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	County Sewer Projects	Nonmajor Enterprise Funds	Total	Governmental Activities
				Internal Service Funds
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 638,324	\$ 783,778	\$ 1,422,102	\$ 487,667
<b>Net Position</b>				
Unrestricted	638,324	783,778	1,422,102	487,667
<b>Total Net Position</b>	<b>\$ 638,324</b>	<b>\$ 783,778</b>	<b>\$ 1,422,102</b>	<b>\$ 487,667</b>

See accompanying notes to the basic financial statements.

**Harrison County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes in Fund Net Position - Cash Basis*  
*Proprietary Funds*  
*For the Year Ended December 31, 2024*

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	County Sewer Projects	Nonmajor Enterprise Funds	Total	Governmental Activities
				Internal Service Funds
<b>Operating Receipts</b>				
Charges for Services	\$ 100,213	\$ 766,771	\$ 866,984	\$ 37,365
Other	-	8,097	8,097	-
<i>Total Operating Receipts</i>	<u>100,213</u>	<u>774,868</u>	<u>875,081</u>	<u>37,365</u>
<b>Operating Disbursements</b>				
Personal Services	-	1,064,533	1,064,533	-
Contractual Services	520,000	47,353	567,353	39,437
Materials and Supplies	-	213,795	213,795	-
Capital Outlay	4,644,882	-	4,644,882	-
<i>Total Operating Disbursements</i>	<u>5,164,882</u>	<u>1,325,681</u>	<u>6,490,563</u>	<u>39,437</u>
<i>Operating Income (Loss)</i>	<u>(5,064,669)</u>	<u>(550,813)</u>	<u>(5,615,482)</u>	<u>(2,072)</u>
<b>Non-Operating Receipts (Disbursements)</b>				
Intergovernmental	-	810,701	810,701	-
Proceeds of OWDA Loans	1,826,151	-	1,826,151	-
Principal Retirement	(28,269)	(26,966)	(55,235)	-
Interest	-	(528)	(528)	-
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>1,797,882</u>	<u>783,207</u>	<u>2,581,089</u>	<u>-</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>(3,266,787)</u>	<u>232,394</u>	<u>(3,034,393)</u>	<u>(2,072)</u>
Capital Contributions	3,593,367	-	3,593,367	-
Transfers In	-	280,000	280,000	-
<i>Change in Net Position</i>	<u>326,580</u>	<u>512,394</u>	<u>838,974</u>	<u>(2,072)</u>
<i>Net Position Beginning of Year</i>	<u>311,744</u>	<u>271,384</u>	<u>583,128</u>	<u>489,739</u>
<i>Net Position End of Year</i>	<u><b>\$ 638,324</b></u>	<u><b>\$ 783,778</b></u>	<u><b>\$ 1,422,102</b></u>	<u><b>\$ 487,667</b></u>

See accompanying notes to the basic financial statements.

**Harrison County, Ohio**  
*Statement of Fiduciary Net Position - Cash Basis*  
*Fiduciary Funds*  
*December 31, 2024*

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	Custodial
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 4,006,251
Cash and Cash Equivalents in Segregated Accounts	<u>251,864</u>
<i>Total Assets</i>	<u>4,258,115</u>
<b>Net Position</b>	
Restricted for Individuals, Organizations, and Other Governments	4,258,115
<i>Total Net Position</i>	<u>\$ 4,258,115</u>

See accompanying notes to the basic financial statements.

**Harrison County, Ohio**  
*Statement of Changes in Fiduciary Net Position - Cash Basis*  
*Fiduciary Funds*  
*For the Year Ended December 31, 2024*

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	<u>Custodial</u>
<b>Additions</b>	
Intergovernmental	\$ 3,298,745
Amounts Received as Fiscal Agent	3,153,300
Licenses, Permits & Fees for Other Governments	205,880
Fines & Forfeitures for Other Governments	1,419,206
Property Tax Collections for Other Governments	37,289,109
Sheriff Sale Collections for Other Governments	180,282
Amounts Received for Others	<u>9,702</u>
<i>Total Additions</i>	<u>45,556,224</u>
<b>Deductions</b>	
Distributions as Fiscal Agent	2,623,798
Distributions of State Funds to Other Governments	3,299,195
Licenses, Permits & Fees Distributions to Other Governments	199,062
Fines & Forfeitures Distributions to Other Governments	1,379,066
Property Tax Distributions to Other Governments	37,042,942
Sheriff Sale Distributions to Other Governments	159,206
Other Distributions	<u>86,440</u>
<i>Total Deductions</i>	<u>44,789,709</u>
<i>Change in Net Position</i>	766,515
<i>Net Position Beginning of Year</i>	<u>3,491,600</u>
<i>Net Position End of Year</i>	<u>\$ 4,258,115</u>

See accompanying notes to the basic financial statements.

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**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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## **NOTE 1 – REPORTING ENTITY**

Harrison County (the County), is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County operated under the direction of a three-member elected Board of County Commissioners. A county auditor and county treasurer, both of whom are elected, are responsible for the fiscal control of the resources of the County which are maintained in the funds below. Other officials elected by the voters of the County that manage the County's operations are the county recorder, clerk of courts, coroner, engineer, prosecuting attorney, sheriff, one common pleas judge, one county court judge and one probate/juvenile judge. Although these elected officials manage the internal operations of their respective departments, the Board of County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting authority, and the chief administrators of the public services of the County. Services provided by the County include general government, both executive and judicial, law enforcement, public works, public safety, health, welfare, conservation, and maintenance of highways, roads, and bridges. Taxes are levied, collected, and distributed to the schools, townships, municipalities, and appropriate County funds.

The County utilizes the standards of Government Accounting Standards Board (GASB) Statement 14 for determining the reporting entity, as well as GASB Statement 39, *Determining Whether Certain Organizations are Component Units*, an amendment of GASB Statement 14 and GASB Statement 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading.

### ***A. Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Harrison County, this includes the District Board of Health, Soil Conservation Services, and all departments and activities that are directly operated by the elected officials.

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

***Harrison County General Health District*** is governed by the Board of Health. The Board adopts its own budget, hires and fires its own staff, and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with state and federal grants applied for by the District. The County cannot influence the Health District's operations, nor is it obligated for the Health District's debt.

***Harrison 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.

***Harrison County Family and Children First Council*** provides services to multi-need youth in Harrison County. Several organizations are members of the Council and the operations are controlled by a board consisting of the representatives from the member organizations.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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***B. Jointly Governed Organizations***

A jointly governed organization is a regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that create the organization that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. The County participates in the following jointly governed organization.

**Belmont, Carroll, Harrison and Jefferson Council of Governments**

The Belmont, Carroll, Harrison and Jefferson Council of Governments was created to establish the operating and administrative procedures and to direct funding within the Workforce Investment Area as required by the Workforce Investment Act of 1998. The Council of Governments is comprised of four voting members, one designated from each County, each of whom shall be a duly elected County Commissioner, and may include ex-officio members, representatives from the Department of Job and Family Services of the member counties, and the Chairperson of the Workforce Investment Board. The Board exercises total control over the operations of the Council including budgetary, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. Since Belmont County serves as the fiscal agent for the Board, the financial activity of the Board is presented as a custodial fund.

***C. Related Organizations***

**Harrison County Community Improvement Corporation (CIC)**

The Harrison County Community Improvement Corporation (CIC) is a non-profit organization that was created under Ohio Revised Code Section 1724.04. The CIC shall be comprised of Class A and Class B members. Class A members shall be appointed at-large from the community. Class B Members from Harrison County and each political subdivision which agree to have the corporation serve as their designated economic development agent. The Board of Trustees shall be comprised of a total of 14 Class A Trustees, 9 selected from the community at-large and 5 officers (elected or appointed). Each Class B member has the right to appoint a Trustee. Additionally, the Harrison County Commissioners, Auditor, Treasurer and Recorder shall serve as Class B Trustees *ex-officio*. Organizations serving the community at-large may also be invited to provide a Class B Trustee candidate, upon invitation of the Board of Trustees. All Class A and B members are un-paid volunteers. The County cannot influence the CIC, represent a potential financial benefit for, or burden on, the County.

***D. Public Entity Risk Pools***

**The County Risk Sharing Authority, Inc.**

The County Risk Sharing Authority, Inc. (COSRA) is a public entity shared risk pool among sixty-six counties in Ohio. COSRA was formed as an Ohio non-profit corporation for the purpose of establishing the COSRA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member Counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by COSRA. 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 COSRA 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 COSRA is limited to its voting authority and any representation it may have on

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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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 certificates.

The County does not have an equity interest in or a financial responsibility for CORSA.

**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. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the Plan.

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 member of the group executive committee in any year and each elected member shall be a County Commissioner.

The County's management believes these financial statements present all activities for which the County is financially accountable.

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

As discussed further under Basis of Accounting, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the County's accounting policies.

***A. Basis of Presentation***

The County's basic financial statements consist of government-wide financial 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.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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***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 funds is eliminated to avoid “doubling up” receipts and disbursements. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the County at year end. The statement of activities compares disbursements and program receipts for each program or function of the County’s governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the County.

***Fund Financial Statements***

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

Proprietary fund statements distinguish operating transactions and nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds’ principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

***B. Fund Accounting***

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

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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### ***Governmental Funds***

Governmental funds are those through which most governmental functions of the County are financed. The following are the County's major governmental funds:

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

**Board of Developmental Disabilities** – The Board of Developmental Disabilities Fund accounts for the operation of a school and the costs of administering a workshop for the developmentally disabled residents of the County. Receipt sources are primarily federal and state grant monies and a county-wide property tax levy.

**Gas Tax** – The Motor Vehicle and Gasoline Tax Fund accounts for receipts derived from motor vehicle licenses, gasoline taxes, grants and interest. Disbursements in this fund are restricted by state law to County road and bridge repair/improvements programs.

**Capital Improvements Fund** – The Capital Improvements Fund is used to account for monies received by the Sales Tax Revenue and debt proceeds used for building construction and improvements within the County.

**Justice Center Fund** – The Justice Center Fund is used to account for the capital outlays for the Justice Center (Jail).

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

### ***Proprietary Funds***

The County classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds.

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

**County Sewer Projects Fund** – The County Sewer Projects Fund is used to account for the infrastructure and maintenance operations of all the County Sewer Projects.

The nonmajor enterprise fund accounts for public transit and water services provided to County individual and commercial users. The costs of providing these services are provided primarily through user charges.

**Internal Service Funds** – The Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County's internal service funds account for self-insurance programs for employee dental, eye and life insurance benefits that are financed by the County and its participating employees.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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### ***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 distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The County has no trust funds. Custodial funds are used to account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

#### ***C. Basis of Accounting***

The County's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and deferred outflows of resources and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and deferred inflows of resources and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

#### ***D. 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 cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, program, department, and object level for all funds.

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

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

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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***E. Cash and Investments***

To improve cash management, cash received by the County, except cash held by a fiscal agent, is pooled and invested. Individual fund integrity is maintained through County records. Interest in the pool is presented as "Equity in Pooled Cash and Investments."

Cash and cash equivalents that are held separately within departments of the County are recorded as "Cash and Cash Equivalents in Segregated Accounts."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2024, the County invested in STAR Ohio, nonnegotiable certificates of deposit, money market mutual funds, federal agency securities, corporate securities, municipal securities, and US Treasury Notes. Investments are reported at cost, except for the money market fund and STAR Ohio.

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 their 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.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Interest earnings are allocated to County funds according to state statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during the current year were \$2,182,083, which includes \$1,748,443 assigned from other County funds.

***F. Inventory and Prepaid Items***

The County reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

***G. Capital Assets***

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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***H. Interfund Receivables/Payables***

The County reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

***I. Accumulated Leave***

For 2024, GASB Statement No. 101, *Compensated Absences*, was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The County does not offer noncash settlements.

County employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave.

This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the County's cash basis of accounting.

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

For purposes of measuring the net pension/OPEB liability, 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.

***K. Interfund Transactions***

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

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

***L. Long-Term Obligations***

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither other financing source nor capital outlay are reported at inception. Lease payments are reported when paid.

***M. Leases and SBITAs***

The County is a lessor and lessee in various leases related to buildings and vehicles, respectively. Lease receivables and payables are not reflected under the County's cash basis of accounting. Lease receipts and disbursements are recognized when they are received and paid.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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

**N. Net Position**

Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**O. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints placed on 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 legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the County Commissioners. County Commissioners have by resolution authorized the County Auditor to assign fund balance. County Commissioners may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

**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.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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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.

***Settlement Monies***

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. Subsequently, settlements have been reached with other distributors.

During 2023, Ohio reached a settlement agreement with Monsanto. As a participating subdivision, the County received a settlement payment during 2024. The County received settlement payments of \$60,201 during 2024. This amount is reflected as intergovernmental revenue in the Opioid Settlement Fund.

***P. Implementation of New Accounting Principles***

For 2024, GASB Statement No. 100, Accounting Changes and Error Corrections was effective. This GASB pronouncement has been implemented and is reflected in the County's financial statements.

**NOTE 3 – COMPLIANCE**

Ohio Administrative Code, Section 117-2-03 (B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Cash Receipts, Disbursements and Change in Cash Basis Fund Balance – Budget and Actual (Budget Basis) for the General Fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis).
2. 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 (cash basis) in the appropriate County fund.
3. Some funds are included in the general fund (cash basis), but have separate legally adopted budgets.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
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Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General	Disabilities	Gas Tax
	Board of Developmental		
Cash Basis	\$ 4,430,853	\$ (307,964)	\$ (320,969)
Beginning of Year:			
Custodial Fund Cash Allocation	314,164	27,182	-
End of Year:			
Custodial Fund Cash Allocation	(355,497)	(40,028)	-
Funds Budgeted Elsewhere *	<u>322,391</u>	<u>-</u>	<u>-</u>
Budget Basis	<u>\$ 4,711,911</u>	<u>\$ (320,810)</u>	<u>\$ (320,969)</u>

\* As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on the cash basis statements. This includes Certificate of Title Administration, Recorders Equipment, Workers Compensation, Unclaimed Money and Jail Corrections funds.

## NOTE 5 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the County into two categories.

Active deposits are public deposits necessary to meet the current demands on the treasury. Such 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.

Inactive deposits are public deposits that County has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Inactive monies may be invested or deposited in the following securities:

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 securities 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 governmental agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that 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 that the term of the agreement must not exceed thirty days;

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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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) sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value within certain limitations;
9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:
  - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and 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. Banker's acceptances eligible for purchase by the Federal Deposit Insurance Corporation and which mature within 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 that are doing business under authority granted by the U.S. provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and
12. Up to one 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. All interest and principal shall be denominated and payable in the United States funds.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase 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. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
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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 on Hand***

At year end, the County had \$3,263 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Investments."

***Deposits***

Custodial credit risk is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are the possession of an outside party. At year end, \$21,377,048 of the County's total bank balance of \$22,611,112 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the County's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent, resulting in the uninsured and uncollateralized balance.

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

- Eligible securities pledged to the County and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

***Investments***

At December 31, 2024, the County had the following investments.

S&P Global Ratings	Investment Type	Measurement Value	Investment Maturities			Percent of Total
			12 Months or Less	12 to 36 Months	More Than 36 Months	
<b>Net Asset Value (NAV):</b>						
AAAm	STAR Ohio	\$20,085,730	\$20,085,730	\$ -	\$ -	57.15%
AAAm	Money Market	102,026	102,026	-	-	0.29%
<b>Cost Value:</b>						
AA+	Federal Agency Securities	6,114,154	990,034	2,081,292	3,042,828	17.39%
AA+/AAA	Municipal Securities	170,000	45,000	-	125,000	0.48%
N/A	US Treasury Notes	6,250,914	1,421,874	2,945,511	1,883,529	17.78%
N/A	Private Export Funding Corporation	105,008	-	105,008	-	0.30%
N/A	Negotiable Certificates of Deposit	2,323,722	470,934	732,198	1,120,590	6.61%
<b>Total Investments</b>		<b>\$35,151,554</b>	<b>\$23,115,598</b>	<b>\$ 5,864,009</b>	<b>\$ 6,171,947</b>	<b>100.00%</b>

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**Interest Rate Risk** Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The County's investment policy does not restrict individual investments except for those mentioned in the Ohio Revised Code Section 135.35. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

**Credit Risk** The credit risk of the County's investments is in the table above.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2024, is 27 days.

**Concentration of Credit Risk** The County places no limit on the amount it may invest in any one issuer. The percentage of total investments is listed in the table above.

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

A County levied tax of one and one-half percent (1.5%) is applied on the storage, use, or other consumption, in the County, of motor vehicles, and on the storage, use, or other consumption, in the County, of tangible personal property. The County provides for the following breakdown: 75% of the total proceeds are general fund revenue to be appropriated for general operating expenses; 17% of the proceeds are capital projects fund revenue to be appropriated for capital improvements; 0.5% of the proceeds are capital projects fund revenue to be appropriated for vehicle fleet, 2.5% of the proceeds are capital projects fund revenue to be appropriated for the government center, 3% of the proceeds are capital projects fund revenue to be appropriated for infrastructure, 1% of the proceeds are capital projects fund revenue to be appropriated for the justice center and 1% of the proceeds are capital projects fund revenue to be appropriated for recreational purposes. Total permissive sales and use tax (piggyback sales tax) receipts collected in the current year amounted to \$4,611,016.

#### **NOTE 7 – PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2024 for real and public utility property taxes represents collections of the 2023 taxes.

2024 real property taxes were levied after October 1, 2024 on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are collected in and intended to finance 2025.

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. 2024 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
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The full tax rate for all County operations for the year ended December 31, 2024, was \$14.42 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2024 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 616,721,760
Public Utilities Real Property	1,500,280
Public Utilities Personal Property	<u>503,779,880</u>
Total Assessed Value	<u>\$ 1,122,001,920</u>

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

#### **NOTE 8 – RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disasters. By contracting with the County Risk Sharing Authority (COSRA) for liability, property, and crime insurance, the County has addressed these various types of risk.

COSRA, a non-profit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime insurance coverage for its members. COSRA was established May 12, 1987, and has grown to sixty members.

The amounts of settlements have not exceeded commercial coverage in any of the past three years. Also, the limits have not been lowered significantly in the past year.

With the exception of workers' compensation, health, dental, vision, and life insurances, all other insurance is held with COSRA. The County pays all elected officials bonds by statute.

For the current year, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see Note 1). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The worker's 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 CompManagement, 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

**Harrison County, Ohio**  
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Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

***Health Care Insurance***

The County provides medical/surgical insurance benefits to its employees through The Health Plan. The employees share the cost of the monthly premium with the Board of Commissioners. Vision and dental insurance is provided by the County to employees.

***Life Insurance***

The County provides life insurance of \$15,000 to each employee under the age of 65. For employees aged 65 and older, the County provides life insurance at a reduced rate of \$7,500 per employee.

The County maintains self-insurance internal service funds to account for and finance its uninsured risks of loss on these programs.

**NOTE 9 – DEFINED BENEFIT PENSION PLAN**

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

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

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

The 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 the 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

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
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enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The net pension/net OPEB liability are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the pension disclosures. See Note 10 for the OPEB disclosures.

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

Plan Description - County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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

Traditional plan and State and local 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 at retirement.

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.

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 member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their

**Harrison County, Ohio**  
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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 Safety	Law Enforcement
<b>2024 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2024 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

\* 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.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll. -The County's contractually required contribution was \$1,469,229 for 2024.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – County licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

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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, a one-time 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. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. 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 34 years of service credit at any age.

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

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 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 Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS was \$10,853 for fiscal year 2024.

***Pension Liability***

The net pension liability for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. STRS total pension liability was measured as of June 30, 2023, and was determined by an independent actuarial valuation as of that date. The County's proportion of the net pension liability 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:

	OPERS	STRS
Proportion of the Net Pension Liability:		
Current Measurement Period	0.065319%	0.00132494%
Prior Measurement Period	<u>0.065608%</u>	<u>0.00163170%</u>
Change in Proportion	<u>-0.000289%</u>	<u>-0.00030676%</u>
Proportionate Share of the Net Pension Liability	\$ 17,100,782	\$ 285,325

***Actuarial Assumptions – OPERS***

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

Projections of 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, 2023, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

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	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 (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	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 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 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 real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, 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 (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
<b>Total</b>	<b>100.00%</b>	

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

**Sensitivity of the County's Proportionate Share of the Net Pension Liability 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 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
County's Proportionate Share of the Net Pension Liability	\$ 26,921,226	\$ 17,100,782	\$ 8,933,026

***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 (the latest information available).

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, actuarial valuation, are presented below:

Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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Post-retirement mortality rates for healthy retirees are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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, were 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.

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 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	<u>100.00 %</u>	

\*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:

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	1% Decrease	Current	1% Increase
	\$ 438,767	\$ 285,325	\$ 155,555
County's Proportionate Share of the Net Pension Liability			

## **NOTE 10 – POSTEMPLOYMENT BENEFITS**

### ***Net OPEB Liability***

See Note 9 for a description of the net OPEB liability.

### ***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. 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. 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 and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program

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 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:

**Age 65 or older Retirees** Minimum of 20 years of qualifying service credit

**Age 60 to 64 Retirees** Based on the following age-and-service criteria:

**Group A** 30 years of total service with at least 20 years of qualified health care service credit;

**Group B** 31 years of total service credit with at least 20 years of qualified health care service credit; or

**Group C** 32 years of total service cred with at least 20 years of qualified health care service credit.

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**Age 59 or younger** Based on the following age-and-service criteria:

**Group A** 30 years of qualified health care service credit;

**Group B** 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

**Group C** 32 years of qualified health care service credit and at least age 55.

Retirees who do not 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, as summarized in the following table:

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
<b>Age and Service Requirements</b> <i>December 1, 2014 or Prior</i>	<b>Age and Service Requirements</b> <i>December 1, 2014 or Prior</i>	<b>Age and Service Requirements</b> <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

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.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

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.

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Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$0 for the year 2024.

***State Teachers Retirement System (STRS)***

**Plan Description** – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy** – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions,

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currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

***OPEB Liability (Asset)***

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

	<u>OPERS</u>	<u>STRS</u>
Proportion of the Net OPEB Liability (Asset):		
Current Measurement Period	0.062666%	0.0013249%
Prior Measurement Period	0.062866%	0.0016317%
Change in Proportion	<u>-0.000200%</u>	<u>-0.0003068%</u>
Proportionate Share of the Net OPEB Asset	\$ (565,576)	\$ (26,000)

***Actuarial Assumptions – OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. 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	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

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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 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit 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 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 real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u>100.00%</u>	

**Discount Rate** A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 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

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benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 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 the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond 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 5.70 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 (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net OPEB Liability (Asset)	\$ 310,823	\$ (565,576)	\$ (1,291,546)

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

	1% Decrease	Current Trend Rate	1% Increase
County's Proportionate Share of the Net OPEB Liability'	\$ (589,060)	\$ (565,576)	\$ (538,928)

***Actuarial Assumptions – STRS***

All disclosures related to the actuarial assumptions relate to the amounts used for the net OPEB liability for STRS which was measured as of June 30, 2023 (the latest information available).

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 and 2022, actuarial valuation are presented below:

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
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	June 30, 2023	June 30, 2022
Projected Salary Increases	Varies by service from 2.50 percent to 8.50 percent	Varies by service from 2.50 percent to 8.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

Healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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.

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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 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	<u>100.00 %</u>	

\*Final target weights reflected at October 1, 2022.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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\*\*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 assumed 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 applied to all periods of projected health care costs to determine 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.

	Current		
	1% Decrease	Discount Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	\$ (21,809)	\$ (26,000)	\$ (29,216)
	Current		
	1% Decrease	Trend Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	\$ (29,376)	\$ (26,000)	\$ (21,423)

## NOTE 11 – DEBT

The County's debt activity for the year ended December 31, 2024 was as follows:

				Amounts				
	Outstanding	Outstanding	Due Within	12/31/2023	Additions	Reductions	12/31/2024	One Year
<b>Governmental Activities:</b>								
<i>Direct Borrowings</i>								
Huntington - General Obligation Note, Series 2023	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -
<i>OPWC Loans:</i>								
Bridge Engineering	4,720	-	4,720	-	-	-	-	-
Aluminum Box Culvert Replacement	12,384	-	12,384	-	-	-	-	-
Aluminum Box Culvert Replacement	19,415	-	19,415	-	-	-	-	-
<i>Total OPWC Loans</i>	<i>36,519</i>	<i>-</i>	<i>36,519</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Total Governmental Activities</b>	<b>\$ 9,036,519</b>	<b>\$ -</b>	<b>\$ 36,519</b>	<b>\$ 9,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
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	Outstanding 12/31/2023	Additions	Adjustments	Reductions	Outstanding 12/31/2024	Due Within One Year	Amounts				
					12/31/2024	One Year	Amounts				
<b>Business-Type Activities:</b>											
<i>Direct Borrowings</i>											
<i>OWDA Loans:</i>											
Water System Expansion	\$ 39,033	\$ -	\$ -	\$ 15,439	\$ 23,594	\$ 15,671					
Freeport Sanitary Sewer System	-	1,826,151	(130,249)	28,269	1,667,633	56,539					
<b>Total OWDA Loans</b>	<b>39,033</b>	<b>1,826,151</b>	<b>(130,249)</b>	<b>43,708</b>	<b>1,691,227</b>	<b>72,210</b>					
<i>OPWC Loans:</i>											
Moorefield Water System	57,165	-	-	11,527	45,638	11,527					
<b>Total Business-Type Activities</b>	<b>\$ 96,198</b>	<b>\$ 1,826,151</b>	<b>\$ (130,249)</b>	<b>\$ 55,235</b>	<b>\$ 1,736,865</b>	<b>\$ 83,737</b>					

**Governmental Activities:**

**Direct Borrowings**

**Ohio Public Works Commission (OPWC) Loans** - The County entered into Ohio Public Works Commission loans for various road bridge replacements and culvert replacements projects within the County which will be repaid from the Gasoline Tax Fund. The 2001, 2002, 2003, 2004, and 2008 loans were issued for \$223,245, \$123,200, \$323,502, \$482,715 and \$49,538, respectively and are interest free. In the event of default, as defined by the debt agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the County treasurer to pay the amounts due from funds appropriated to the County's undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

**Huntington – General Obligation Note, Series 2023** - In 2023, the County entered into a general obligation note for \$9,000,000 to provide interim financing to pay the costs of constructing and improving the jail facilities. The note matures June 1, 2026.

Principal requirements to retire the debt outstanding at December 31, 2024 are as follows:

Year Ending December 31,	Direct Borrowing		
	General Obligation		
	Principal	Interest	Total
2025	-	431,753	431,753
2026	9,000,000	220,129	9,220,129
	<b>\$ 9,000,000</b>	<b>\$ 651,882</b>	<b>\$ 9,651,882</b>

**Business-Type Activities:**

**Direct Borrowings**

**Ohio Water Development Authority (OWDA) Loans** - In 2003, the County entered into an OWDA loan for the purpose of updating the Tippecanoe wastewater system.

The County entered into an OWDA loan in 2004 for a waterline extension project.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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The County entered into an OWDA loan in 2007 for the purpose of water system expansion.

The amounts outstanding as of December 31, 2024 are expected to be repaid from charges for services collected. The County has set water rates sufficient to cover OWDA debt service requirements.

In the event of default, as defined by each OWDA loan agreement, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the County to pay any fines or penalties incurred with interest.

In 2022, County entered into an interest free OWDA loan in the amount of \$5,696,164 for the purpose of upgrading the Freeport sanitary sewer system. During 2024, \$130,249 of this loan has been drawn down by the County. The County received principal forgiveness for \$130,249. This amount was not included in the debt long-term obligations table.

**Ohio Public Works Commission (OPWC) Loans** – In 2008 the County entered into a loan with OPWC for the improvements at Moorefield water systems. The interest free loan was for \$230,548 and will be repaid over a twenty year period.

In the event of default, as defined by each OPWC loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the County treasurer to pay the amounts due from funds appropriated to the county's undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

Principal requirements to retire these direct borrowings outstanding at December 31, 2024 are as follows:

Year Ending December 31,	OWDA			OPWC
Year Ending December 31,	Principal	Interest	Total	Principal
2025	72,210	295	72,505	11,527
2026	64,462	59	64,521	11,527
2027	56,539	-	56,539	11,527
2028	56,539	-	56,539	11,057
2029	56,539	-	56,539	-
2030 - 2034	282,694	-	282,694	-
2035 - 2039	282,694	-	282,694	-
2040 - 2044	282,694	-	282,694	-
2045 - 2049	282,694	-	282,694	-
2050 - 2054	<u>254,162</u>	<u>-</u>	<u>254,162</u>	<u>-</u>
	<u><u>\$ 1,691,227</u></u>	<u><u>\$ 354</u></u>	<u><u>\$ 1,691,581</u></u>	<u><u>\$ 45,638</u></u>

The County has pledged future customer revenues, net of specified operating expenses, to repay \$355,618 in OWDA and OPWC loans issued from 2003 to 2008. Proceeds from these loans provided financing for various water and sewer projects. The loans are payable solely from customer net revenues and are payable through 2042. Net revenues include all revenues received by the water utility less all operating expenses. Annual principal and interest payments, as a percentage of net customer revenues, on the loans are expected to be similar over the term of the loans as in the current year, which were 13.2 percent. The total principal and interest remaining to be paid on the loans is \$1,737,219. Principal and interest paid for the current year and total net revenues were \$55,763 and \$422,913, respectively.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**NOTE 12 – CONTRACTUAL COMMITMENTS**

The County utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the County's commitments in the governmental funds were as follows:

	<u>Contractual Commitment</u>	<u>Expended</u>	<u>Balance 12/31/2024</u>
<i>Governmental-Type Activities:</i>			
Paving Projects	\$ 3,606,825	\$ 741,920	\$ 2,864,905
County Home Addition	3,244,770	2,855,212	389,558
County Jail	<u>\$ 17,665,211</u>	<u>\$ 11,702,689</u>	<u>\$ 5,962,522</u>
Total Governmental- type Activities	<u>\$ 24,516,806</u>	<u>\$ 15,299,821</u>	<u>\$ 9,216,985</u>

**NOTE 13 – INTERFUND ACTIVITY**

*A. Interfund Transfers*

During 2024 the following transfers were made:

Transfers In	Transfers Out	
	General Fund	
Nonmajor Governmental Funds	\$ 856,745	
Nonmajor Enterprise Fund	280,000	
Total	<u>\$ 1,136,745</u>	

Transfers were made from the General Fund to various other funds to provide additional resources for current operations.

*B. Interfund Advances*

During 2024 the following advances were made:

Advances To	Advances From			
	General Fund	Gas Tax Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 21,587	\$ 2,082,840	\$ 2,104,427
Other Governmental Funds	1,641,042	-	-	1,641,042
Total	<u>\$ 1,641,042</u>	<u>\$ 21,587</u>	<u>\$ 2,082,840</u>	<u>\$ 3,745,469</u>

These advances will be repaid during the following year.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**NOTE 14 – FUND BALANCE**

Fund balance can be 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 governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General	County Board of DD	Gas Tax	Capital Improvements	Justice Center Fund	Other Governmental Funds	Total
<b>Nonspendable for:</b>							
Unclaimed Monies	\$ 184,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,509
<b>Total Nonspendable</b>	<b><u>184,509</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>184,509</u></b>
<b>Restricted for:</b>							
Debt Service	-	-	-	-	-	126	126
Capital Outlay	-	-	-	5,563,023	7,819,953	4,713,949	18,096,925
Public Works	-	-	2,136,923	-	-	206,237	2,343,160
Legislative & Executive	-	-	-	-	-	2,651,344	2,651,344
Judicial	-	-	-	-	-	2,258,157	2,258,157
Public Health	-	5,583,250	-	-	-	102,029	5,685,279
Public Safety	-	-	-	-	-	2,717,171	2,717,171
Human Services	-	-	-	-	-	3,954,361	3,954,361
Other Purposes	-	-	-	-	-	211,761	211,761
<b>Total Restricted</b>	<b><u>-</u></b>	<b><u>5,583,250</u></b>	<b><u>2,136,923</u></b>	<b><u>5,563,023</u></b>	<b><u>7,819,953</u></b>	<b><u>16,815,135</u></b>	<b><u>37,918,284</u></b>
<b>Assigned for:</b>							
Subsequent Year Appropriations	10,000	-	-	-	-	-	10,000
Public Safety	13,521	-	-	-	-	-	13,521
<b>Total Assigned</b>	<b><u>23,521</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>23,521</u></b>
Unassigned	13,098,391	-	-	-	-	(71,609)	13,026,782
<b>Total Fund Balance</b>	<b><u>\$ 13,306,421</u></b>	<b><u>\$ 5,583,250</u></b>	<b><u>\$ 2,136,923</u></b>	<b><u>\$ 5,563,023</u></b>	<b><u>\$ 7,819,953</u></b>	<b><u>\$ 16,743,526</u></b>	<b><u>\$ 51,153,096</u></b>

Fund balances at December 31, 2024 included the following individual fund deficits:

	<b>Deficit</b>
<b><i>Non-Major Governmental Funds</i></b>	
Jobs and Family Services	\$ (28,437)
911 Dispatching	(37,803)
Ambulance Services	<u>(5,369)</u>
<b>Total</b>	<b><u>\$ (71,609)</u></b>

The General Fund provides transfers to cover deficit balance; however, this is done when cash is needed.

**Harrison County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**NOTE 15 – CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the County are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Several claims and/or lawsuits are pending against the County. Based upon information provided by the County's legal counsel, any potential liability would not have a material effect on the financial statements.

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**HARRISON COUNTY, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <i>Program / Cluster Title</i>	<b>Federal AL Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Provided Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<i>Passed Through the Ohio Department of Job and Family Services</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2425-11-6200	\$0	\$239,285
Total SNAP Cluster			0	239,285
<i>Direct Programs</i>				
Community Facilities Loan and Grants	10.766	N/A	0	427,500
Total U.S. Department of Agriculture			0	666,785
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Passed Through the Ohio Mid-Eastern Governments Association</i>				
Community Development Block Grants/Entitlement Grants - Critical Infrastructure	14.218	B-D-22-1BE-4	0	45,400
<i>Passed Through the Ohio Development Services Agency</i>				
State Community Development Block Grants-CDBG Allocation Grant	14.228	B-F-23-1BE-1	0	141,450
State Community Development Block Grants-CDBG Allocation Grant	14.228	B-C-21-1BE-1	0	4,500
Total State Community Development Block Grants			0	145,950
Home Investment Partnerships Program	14.239	B-C-21-1BE-2	0	44,705
Total U.S. Department of Housing and Urban Development			0	236,055
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<i>Passed Through the Ohio Attorney General's Office - Crime Victim Section</i>				
Crime Victim Assistance	16.575	2024-VOCA-135504690		26,050
Crime Victim Assistance	16.575	2025-VOCA-135897496		8,683
Total Crime Victim Assistance			0	34,733
Total U.S. Department of Justice			0	34,733
<b><u>U.S. DEPARTMENT OF LABOR</u></b>				
<i>Passed Through Workforce Investment / Innovation and Opportunity Act Area 16</i>				
Workforce Innovation and Opportunity (WIOA) Cluster:				
WIOA - Adult Program	17.258	N/A	88,095	88,095
WIA/WIOA Youth Activities	17.259	N/A	69,108	69,108
WIA/ WIOA Dislocated Worker Formula Grants	17.278	N/A	41,186	41,186
Total WIOA Cluster			198,389	198,389
Total U.S. Department of Labor			198,389	198,389
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
<i>Passed Through the Ohio Department of Transportation</i>				
Highway Planning and Construction:				
HAS VAR GR Phase 3	20.205	PID 115220	0	216,431
HAS CR 27 0.45	20.205	PID 117380	0	1,371,454
STW CEAO 2024 Safety Projects	20.205	PID 119915	0	16,576
HAS 2024 CEAO Sign Upgrade	20.205	PID 120872	0	18,943
Total Highway Planning and Construction			0	1,623,404
Formula Grants for Rural Areas	20.509	RPTF-4104-025-251	0	59,686
Formula Grants for Rural Areas	20.509	RPTF-4104-025-233	0	165,012
Formula Grants for Rural Areas	20.509	RPTM-0104-025-233	0	23,695
Formula Grants for Rural Areas	20.509	RPTM-0104-025-232	0	13,040
Total Formula Grants for Rural Areas			0	261,433
Total U.S. Department of Transportation			0	1,884,837
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>				
<i>Passed Through the Ohio Department of Job and Family Services</i>				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF- Medicaid Undwinding)	21.027	G-2425-11-6200	0	50,562
<i>Passed Through the Department of Development</i>				
Appalachian Technical Assistance Grant	21.027	GOA-F23-ACGTA-196930	0	26,595
Total U.S. Department of Treasury			0	77,157

**HARRISON COUNTY, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <i>Program / Cluster Title</i>	<b>Federal AL Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Provided Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<i>Passed Through the Ohio Department of Education</i>				
Special Education Cluster (IDEA):				
Special Education- Grants to States(IDEA, Part B)	84.027A	FY24	0	5,388
Special Education- Preschool Grants (IDEA Preschool)	84.173A	FY24	0	4,856
Total Special Education Cluster (IDEA)			0	10,244
Total U.S. Department of Education			0	10,244
<b><u>U.S. DEPARTMENT OF ELECTION ASSISTANCE COMMISSION</u></b>				
<i>Passed Through the Ohio Secretary of State</i>				
HAVA Election Security Grant	90.404	N/A	\$0	\$999
Total U.S. Department of Election Assistance Commission			0	999
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>Passed Through the Ohio Department of Job and Family Services</i>				
Temporary Assistance for Needy Families (TANF) State Programs:	93.558	G-2425-11-6200	300,586	982,022
CCDF Cluster:				
Child Care and Development Block Grant	93.575	G-2425-11-6200	0	10,819
Total CCDF Cluster			0	10,819
Social Services Block Grant	93.667	G-2425-11-6200	0	133,924
<i>Passed Through Ohio Department of Developmental Disabilities</i>				
Social Services Block Grant	93.667	2401OHSOSR	0	13,509
Total Social Services Block Grant			0	147,433
<i>Passed Through the Ohio Department of Job and Family Services</i>				
Medicaid Cluster:				
Medical Assistance Program	93.778	G-2425-11-6200	0	423,812
Total Medicaid Cluster			0	423,812
Elder Abuse Prevention Interventions Program	93.747	G-2425-11-6200	0	4,238
Promoting Safe and Stable Families	93.556	G-2425-11-6200	0	29,622
Stephanie Tubbs Jones ChildWelfare Services Program	93.645	G-2425-11-6200	0	36,840
Foster Care _Title IV-E	93.658	G-2425-11-6200	0	67,946
Adoption Assistance	93.659	G-2425-11-6200	0	130,161
Child Support Enforcement	93.563	G-2425-11-6200	0	556,159
Title IV-E Prevention Program	93.472	G-2425-11-6200	0	3,762
Total U.S. Department of Health and Human Services			300,586	2,392,814
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>				
<i>Passed through the Ohio Department of Public Safety - Emergency Management Agency</i>				
Emergency Management Performance Grants	97.042	EMC-2023-EP-00003	0	33,206
Emergency Management Performance Grants	97.042	EMC-2022-EP-00006	0	9,261
Total U.S. Department of Homeland Security			0	42,467
Total Federal Expenditures			\$498,975	\$5,544,480

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

## **HARRISON COUNTY**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 2 CFR 200.510(b)(6) FOR THE YEAR ENDED DECEMBER 31, 2024**

#### **NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Harrison County (the County's) under programs of the federal government for the year ended December 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

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

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

#### **NOTE C – INDIRECT COST RATE**

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

#### **NOTE D - 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.

#### **NOTE E – SUBRECIPIENTS**

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

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

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# OHIO AUDITOR OF STATE KEITH FABER



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

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

Harrison County  
100 West Market Street  
Cadiz, Ohio 43907

To the Board of 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 Harrison County, Ohio (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 8, 2025, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2024-002 that we consider to be a significant deficiency.

Harrison County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by Government Auditing Standards  
Page 2

***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 matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2024-001.

***County's Response to Findings***

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

***Purpose of This Report***

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

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 8, 2025

# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
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800-282-0370

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

Harrison County  
100 West Market Street  
Cadiz, Ohio 43907

To the Board of County Commissioners:

### **Report on Compliance for Each Major Federal Program**

#### ***Qualified and Unmodified Opinions***

We have audited Harrison 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 Harrison County's major federal programs for the year ended December 31, 2024. Harrison County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

#### ***Qualified Opinion on Temporary Assistance for Needy Families (TANF)***

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, Harrison County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Temporary Assistance for Needy Families (TANF) for the year ended December 31, 2024.

#### ***Unmodified Opinion on the Other Major Federal Program***

In our opinion, Harrison County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings for the year ended December 31, 2024.

#### ***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.

Harrison County

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

Page 2

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 qualified and unmodified opinions 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 Temporary Assistance for Needy Families (TANF)*

As described in finding 2024-003 in the accompanying Schedule of Findings, the County did not comply with requirements regarding subrecipient monitoring applicable to its AL #93.558 Temporary Assistance for Needy Families (TANF) major federal program.

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

Harrison County

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

Page 3

***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 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 2024-003 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 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  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 8, 2025

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**HARRISON COUNTY**

**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2024**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b> <ul style="list-style-type: none"><li>• AL #20.205 - Highway Planning and Construction - Unmodified</li><li>• AL #93.558 - Temporary Assistance for Needy Families (TANF) - Qualified</li></ul>	
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b> <ul style="list-style-type: none"><li>• AL #20.205 Highway Planning and Construction</li><li>• AL #93.558 Temporary Assistance for Needy Families (TANF)</li></ul>	
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

## HARRISON COUNTY

### SCHEDULE OF FINDINGS 2 CFR § 200.515 DECEMBER 31, 2024 (Continued)

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

##### FINDING NUMBER 2024-001

###### **Noncompliance**

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

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

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

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

**Officials' Response:** See Corrective Action Plan.

##### FINDING NUMBER 2024-002

###### **Significant Deficiency**

Sound accounting practices require that, when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records. The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft, and fraud to occur without timely detection. In addition, management should plan for adequate segregation of duties or compensating controls for the preparation of the bank to book reconciliation and recording receipts.

During the testing of the Title Department, it was observed that within the Title Department, the same individual is responsible for recording cash receipts and performing monthly bank reconciliations. The Clerk does not directly prepare or deliver bank deposits, as these functions are handled by other Title Department employees. However, monthly bank reconciliations performed by the Clerk contained errors or inconsistencies in 100% of the months reviewed, with discrepancies not consistently resolved in a timely manner. Additionally, the Clerk of Courts maintains a single bank account for all offices under its purview (e.g., Title Department, Legal Division, and License Bureau), commingling funds and complicating the reconciliation process. After the audit period, the Clerk of Courts did hire an accounting firm to reconcile the full year and there were no indications of fraud or adjustments to be made for 2024.

## HARRISON COUNTY

### SCHEDULE OF FINDINGS 2 CFR § 200.515 DECEMBER 31, 2024 (Continued)

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

##### FINDING NUMBER 2024-002 (Continued)

###### **Significant Deficiency (Continued)**

The lack of segregation of duties within the Title Department increases the risk of errors or fraud, as one individual has control over recording receipts and reconciling accounts without independent oversight. Inaccurate or untimely bank reconciliations may result in misstated financial records, and delayed detection of discrepancies. The commingling of funds in a single bank account for multiple offices under the Clerk of Courts exacerbates reconciliation challenges as transactions from different functions (e.g. title fees versus court fines) are not distinctly tracked, increasing the risk of errors and reducing financial transparency.

To address these internal control deficiencies, enhance financial accuracy, and mitigate risks of errors or fraud, the Clerk of Courts should implement corrective measures, including assigning different staff to record receipts and reconcile accounts, developing a formal reconciliation policy to complete error-free reconciliations, verifying all reconciliations, and establishing separate bank accounts for the Title Department, Legal Division, and License Bureau.

**Officials' Response:** See Corrective Action Plan.

#### 3. FINDINGS FOR FEDERAL AWARDS

##### **1. CFR §200.331 - Subrecipient Monitoring**

<b>Finding Number:</b>	<b>2024-003</b>
<b>Assistance Listing Number and Title:</b>	<b>AL #93.558- Temporary Assistance for Needy Families (TANF)</b>
<b>Federal Award Identification Number / Year:</b>	<b>G-2223-11-6937</b>
<b>Federal Agency:</b>	<b>U.S. Department of Health and Human Services</b>
<b>Compliance Requirement:</b>	<b>Subrecipient Monitoring Requirement</b>
<b>Pass-Through Entity:</b>	<b>Ohio Department of Job and Family Services</b>
<b>Repeat Finding from Prior Audit?</b>	<b>Yes</b>
<b>Prior Audit Finding Number:</b>	<b>2023-002</b>

###### **Noncompliance and Material Weakness**

**2 CFR § 200.331** requires a pass-through entity to clearly identify to the subrecipient: (1) the award as a subaward at the time of subaward by providing the information described in 2 CFR section 200.331(a)(1); (2) all requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the award; and (3) any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibilities for the Federal award.

**HARRISON COUNTY**

**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2024**  
**(Continued)**

**3. FINDINGS FOR FEDERAL AWARDS (Continued)**

**FINDING NUMBER 2024-003**  
**(Continued)**

The Harrison County Department of Job and Family Services (HCDJFS) did not have proper internal controls in place to ensure subrecipient monitoring was properly performed. HCDJFS contracted with a subrecipient to provide services related to its Comprehensive Case Management Employment Program (CCMEP) of the Temporary Assistance for Needy Families (TANF) federal grant. The HCDJFS did not perform necessary monitoring procedures under the Uniform Guidance over this subrecipient.

Failure to adequately monitor subrecipients increases the risk that subrecipients may not properly utilize federal funds or adhere to program requirements.

The Harrison County Department of Job and Family Services should review the Uniform Guidance in 2 CFR part 200, which lists its responsibilities as a pass-through entity, establish and maintain its own internal control procedures over compliance with grant requirements, and create a subrecipient monitoring policy to meet the Uniform Guidance audit requirements. The HCDJFS should also document its subrecipient monitoring controls and reviews and maintain the documentation over the monitoring over its subrecipient.

**Officials' Response:** See Corrective Action Plan.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**2 CFR 200.511(b)**  
**DECEMBER 31, 2024**

Finding Number	Finding Summary	Status	Additional Information
2023-001	Noncompliance - Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(B) for not preparing financial statements in accordance with generally accepted accounting principles.	Not corrected.	Financially not feasible to file GAAP.
2023-002	Noncompliance and Material Weakness- 2 CFR § 200.331 for not performing necessary monitoring procedures over subrecipients.	Not Corrected.	The subrecipient monitoring issue was corrected in 2024 due to the agency reassuming responsibility for the programs and only contracting out specific youth elements in the CCMEP program.



**CORRECTIVE ACTION PLAN**

**2 CFR § 200.511(c)**

**December 31, 2024**

<b>Finding Number:</b>	<b>2024-001</b>
<b>Planned Corrective Action:</b>	<b>Filing GAAP is not financially feasible for the County.</b>
<b>Anticipated Completion Date:</b>	<b>December 31, 2025</b>
<b>Responsible Contact Person:</b>	<b>Clint Barr, County Auditor</b>
<b>Finding Number:</b>	<b>2024-002</b>
<b>Planned Corrective Action:</b>	<b>J.L. Uhrig, a private accounting firm, was hired to reconcile the 2024 financial records for the Clerk of Courts Office. The reconciliation is complete and available for review.</b>
<b>Anticipated Completion Date:</b>	<b>December 31, 2025</b>
<b>Responsible Contact Person:</b>	<b>Christina M. Porter, Clerk</b>
<b>Finding Number:</b>	<b>2024-003</b>
<b>Planned Corrective Action:</b>	<b>Prior to July 1, 2024, Jefferson County Community Action Commission (CAC) served as a subrecipient for WIOA programs (specifically as related to this finding for the Comprehensive Case Management and Employment program (CCMEP) funded by TANF) for which funding was received by the Harrison County Department of Job and Family Services (agency). As noted in the Audit Finding for 2023 (2023-002) Harrison County Department of Job and Family Services had not properly monitored the subrecipient. However, as of July 1, 2024, the CAC is no longer a subrecipient and serves as a contractor for the work experience youth element as part of the CCMEP program. Harrison County Department of Job and Family Services staff complete all eligibility for that program and referrals are made to the CAC only for youth for whom the work experience element is needed. The subrecipient monitoring issue was corrected in 2024 due to the agency reassuming responsibility for the programs and only contracting out specific youth elements in the CCMEP program.</b>
<b>Anticipated Completion Date:</b>	<b>December 31, 2025</b>
<b>Responsible Contact Person:</b>	<b>Debra Knight, JFS Director</b>

# OHIO AUDITOR OF STATE KEITH FABER



## HARRISON 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 12/23/2025

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

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