



OHIO AUDITOR OF STATE
KEITH FABER



GUERNSEY COUNTY
DECEMBER 31, 2023

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GUERNSEY COUNTY
DECEMBER 31, 2023

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OHIO AUDITOR OF STATE

KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Guernsey County
627 Wheeling Avenue
Cambridge, Ohio 43725

To the Board of County 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 Guernsey County, Ohio (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

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, 2023, and the respective changes in cash-basis financial position and where applicable cash flows thereof and the respective budgetary comparison for the General, Public Assistance, Board of Developmental Disabilities and Children's Services 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 to opine on the financial statements as a whole 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 to 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 Information

Management is responsible for the other information included in the annual financial report. The other information comprises the Management's Discussion and Analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2025, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

February 5, 2025

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Guernsey County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023

The discussion and analysis of Guernsey County's (the County) financial performance provides an overview of the County's financial activities for the year ended December 31, 2023, within the limitations of the County's cash basis accounting. Readers should also review the cash basis financial statements and notes to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- Net cash position of governmental activities increased \$2,232,130.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$51,605,027, an increase of \$2,864,022 over the fund balance for the prior year.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the County's Cash Financial Statements. The County's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The County has elected to present its financial statements on the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the County's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

County-Wide Financial Statements

The county-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business.

The *Statement of Net Position – Cash Basis* presents information on all of the County's cash assets, presented as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the cash and investments of the County are improving or deteriorating.

The *Statement of Activities – Cash Basis* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs.

Both of the government-wide financial statements identify functions of the County that are principally supported by taxes and intergovernmental receipts (governmental activities). The governmental activities of the County include general government, public safety, public works, health, human services, economic development and assistance, other, capital outlay, and debt service disbursements.

Guernsey County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023

In the statement of net position and the statement of activities, the County is divided into two kinds of activities:

Governmental Activities – Most of the County's programs and services are reported here, including general government, public safety, public works, health, human services, economic development, other, capital outlay, and debt service disbursements. These services are funded primarily by taxes and intergovernmental receipts, including federal and state grants and other shared receipts.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction of the use of monies, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental funds are the General, Public Assistance, Board of Developmental Disabilities and Children's Services funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund *Statement of Cash Basis Assets and Fund Balance* and *Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances* for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Funds – The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the Water Fund operations and Sewer Fund operations. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's other programs and activities. The Self-Insurance Fund accounts for the claims relating to the County's workers compensation and self-insurance hospitalization programs.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Guernsey County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023

Government-Wide Financial Analysis

Table 1 provides a summary of the County's net position for 2023 compared to 2022.

Table 1
Net Position

| | Governmental Activities | | | Business-Type Activities | | |
|--|-------------------------|----------------------|---------------------|--------------------------|---------------------|-------------------|
| | 2023 | 2022 | Change | 2023 | 2022 | Change |
| Assets | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 56,106,525 | \$ 53,898,906 | \$ 2,207,619 | \$ 2,120,151 | \$ 1,877,820 | \$ 242,331 |
| Cash and Cash Equivalents in Segregated Accounts | 109,774 | 123,638 | (13,864) | - | - | - |
| Cash and Cash Equivalents with Fiscal Agents | 1,765,237 | 1,726,862 | 38,375 | - | - | - |
| <i>Total Assets</i> | <u>57,981,536</u> | <u>55,749,406</u> | <u>2,232,130</u> | <u>2,120,151</u> | <u>1,877,820</u> | <u>242,331</u> |
| Net Position | | | | | | |
| Restricted for: | | | | | | |
| Capital Outlay | 3,554,923 | 3,494,853 | 60,070 | - | - | - |
| Debt Service | 111,556 | 270,334 | (158,778) | - | - | - |
| Motor Vehicle and Gasoline Tax | 2,471,696 | 2,450,828 | 20,868 | - | - | - |
| Public Assistance | 647,926 | 705,400 | (57,474) | - | - | - |
| Children Services | 4,055,149 | 3,708,306 | 346,843 | - | - | - |
| Expendable | 59,421 | 57,066 | 2,355 | - | - | - |
| Nonexpendable | 20,000 | 20,000 | - | - | - | - |
| Developmental Disabilities | 8,318,370 | 7,758,580 | 559,790 | - | - | - |
| Other Purposes | 10,459,257 | 11,064,373 | (605,116) | - | - | - |
| Unrestricted | <u>28,283,238</u> | <u>26,219,666</u> | <u>2,063,572</u> | <u>2,120,151</u> | <u>1,877,820</u> | <u>242,331</u> |
| <i>Total Net Position</i> | <u>\$ 57,981,536</u> | <u>\$ 55,749,406</u> | <u>\$ 2,232,130</u> | <u>\$ 2,120,151</u> | <u>\$ 1,877,820</u> | <u>\$ 242,331</u> |

A portion of the County's governmental activities net position represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted net position is to be used to meet the County's ongoing obligations to citizens and creditors.

The governmental activities saw a large increase in pooled cash and cash equivalents, primarily due to normal operations. The business-type activities saw a slight increase in pooled cash and cash equivalents primarily due to normal operations.

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Guernsey County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023

Table 2 shows the changes in net position for 2023 compared to 2022.

Table 2
Changes in Net Position

| | Governmental Activities | | | Business-Type Activities | | |
|---|-------------------------|----------------------|---------------------|--------------------------|---------------------|-------------------|
| | 2023 | 2022 | Change | 2023 | 2022 | Change |
| Receipts | | | | | | |
| <i>Program Receipts</i> | | | | | | |
| Charges for Services | \$ 6,262,125 | \$ 5,739,187 | \$ 522,938 | \$ 4,761,931 | \$ 4,367,188 | \$ 394,743 |
| Operating Grants & Contributions | 21,810,458 | 20,828,391 | 982,067 | 20,875 | 29,990 | (9,115) |
| Capital Grants & Contributions | 1,755,905 | 1,025,287 | 730,618 | - | - | - |
| <i>Total Program Receipts</i> | <u>29,828,488</u> | <u>27,592,865</u> | <u>2,235,623</u> | <u>4,782,806</u> | <u>4,397,178</u> | <u>385,628</u> |
| <i>General Receipts</i> | | | | | | |
| Property Taxes | 14,067,209 | 12,070,224 | 1,996,985 | - | - | - |
| Permissive Sales Tax | 11,506,235 | 10,603,598 | 902,637 | - | - | - |
| Other Local Taxes | 1,039,546 | 1,047,883 | (8,337) | - | - | - |
| Grants and Entitlements | 2,434,666 | 2,716,572 | (281,906) | - | - | - |
| American Rescue Plan Act Funding - Not Restricted to a Specific Program | 100,000 | 3,775,507 | (3,675,507) | - | - | - |
| Proceeds from Sale of Assets | 27,289 | 120,626 | (93,337) | - | - | - |
| Investment Earnings | 1,201,042 | 465,436 | 735,606 | - | - | - |
| Proceeds of OPWC Loans | - | 56,529 | (56,529) | - | - | - |
| Miscellaneous | 616,670 | 1,077,724 | (461,054) | 16,103 | 62,073 | (45,970) |
| <i>Total General Receipts</i> | <u>31,166,730</u> | <u>31,934,099</u> | <u>(767,369)</u> | <u>16,103</u> | <u>62,073</u> | <u>(45,970)</u> |
| <i>Total Receipts</i> | <u>60,995,218</u> | <u>59,526,964</u> | <u>1,468,254</u> | <u>4,798,909</u> | <u>4,459,251</u> | <u>339,658</u> |
| Program Disbursements | | | | | | |
| General Government | | | | | | |
| Legislative and Executive | 9,488,239 | 9,652,105 | (163,866) | - | - | - |
| Judicial | 4,943,489 | 4,661,338 | 282,151 | - | - | - |
| Public Safety | 6,686,698 | 5,887,749 | 798,949 | - | - | - |
| Public Works | 7,388,747 | 5,290,899 | 2,097,848 | - | - | - |
| Health | 10,365,442 | 9,450,825 | 914,617 | - | - | - |
| Human Services | 16,282,725 | 15,784,354 | 498,371 | - | - | - |
| Economic Development | 205,602 | 77,631 | 127,971 | - | - | - |
| Other | 289,905 | 307,849 | (17,944) | - | - | - |
| Capital Outlay | 1,841,176 | 2,510,480 | (669,304) | - | - | - |
| Debt Service: | | | | | | |
| Principal Retirements | 1,419,672 | 1,386,929 | 32,743 | - | - | - |
| Interest and Fiscal Charges | 84,328 | 107,941 | (23,613) | - | - | - |
| Sewer | - | - | - | 925,048 | 937,172 | (12,124) |
| Water | - | - | - | 3,398,595 | 3,316,591 | 82,004 |
| <i>Total Program Disbursements</i> | <u>58,996,023</u> | <u>55,118,100</u> | <u>3,877,923</u> | <u>4,323,643</u> | <u>4,253,763</u> | <u>69,880</u> |
| <i>Increase (Decrease) in Net Position</i> | <u>1,999,195</u> | <u>4,408,864</u> | <u>(2,409,669)</u> | <u>475,266</u> | <u>205,488</u> | <u>269,778</u> |
| Transfers | <u>232,935</u> | <u>232,502</u> | <u>433</u> | <u>(232,935)</u> | <u>(232,502)</u> | <u>(433)</u> |
| <i>Change in Net Position</i> | <u>2,232,130</u> | <u>4,641,366</u> | <u>(2,409,236)</u> | <u>242,331</u> | <u>(27,014)</u> | <u>269,345</u> |
| <i>Net Position Beginning of Year</i> | <u>55,749,406</u> | <u>51,108,040</u> | <u>4,641,366</u> | <u>1,877,820</u> | <u>1,904,834</u> | <u>(27,014)</u> |
| <i>Net Position End of Year</i> | <u>\$ 57,981,536</u> | <u>\$ 55,749,406</u> | <u>\$ 2,232,130</u> | <u>\$ 2,120,151</u> | <u>\$ 1,877,820</u> | <u>\$ 242,331</u> |

Guernsey County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023

Governmental Activities

The funding for the governmental activities comes from several different sources, the most significant being operating grants. Other prominent sources are property taxes, permissive sales taxes and charges for services.

Governmental revenue is comprised of program revenue and general revenue. General revenues include grants and entitlements, such as local government funds. Governmental activities are primarily funded with the combination of property tax, sales tax and intergovernmental revenues. The County monitors its sources of revenues very closely for fluctuations.

Capital grants increased as a result of increased funding received from the Ohio Public Works Commission (OPWC) for various ongoing projects. Proceeds from sale of assets decreased as a result of decreased forfeited land sales. General receipts decreased primarily as a result of decreased ARPA funding offset by increased property taxes, permissive sales tax, and interest revenues. Property taxes increased primarily due to an increase in millage for the Board of Developmental Disabilities Fund. Miscellaneous revenues decreased primarily as a result of a decrease in oil and gas receipts.

The largest program function of the County is for human services, which includes the public assistance and children and family services programs. Other major program disbursements for governmental activities include health, public works, public safety and general government – legislative and executive. During 2023, total program disbursements increased significantly. The increase was primarily due to increased public works expenditures as a result of increased disbursements for FEMA and various projects throughout the County. Public safety expenditures increased as a result of increased safety equipment purchases.

Business-Type Activities include water and sewer operations. The revenues are generated primarily from charges for services. In 2023, charges for services accounted for the majority of the business-type revenues.

Financial Analysis of County Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

The following table provides a summary of the County's major fund balances 2023 compared to 2022.

| | Fund Balance 12/31/2023 | Fund Balance 12/31/2022 | Increase (Decrease) |
|-------------------------------------|----------------------------|----------------------------|------------------------|
| General Fund | \$ 22,107,100 | \$ 19,312,065 | \$ 2,795,035 |
| Public Assistance | 647,926 | 705,400 | (57,474) |
| Board of Developmental Disabilities | 8,318,370 | 7,758,580 | 559,790 |
| Children's Services | 2,134,427 | 1,962,321 | 172,106 |

Guernsey County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023

The General Fund is the primary operating fund of the County. The fund balance of the County's General Fund increased during 2023. This was primarily caused by receipts continuing to outpace disbursements.

The Public Assistance Fund had a decrease in fund balance due to disbursements outpacing receipts.

The Board of Developmental Disabilities Fund saw an increase during 2023 primarily due to increased property tax receipts from an increase in inside millage.

The Children's Services Fund had an increase in fund balance primarily due to receipts continuing to outpace disbursements.

Business-Type Activities

The County's proprietary funds provide the same type of information found in the government-wide financial statements for the business-type activities, but in more detail.

Unrestricted net position of the water fund at the end of the year amounted to \$1,045,014 and the unrestricted net position of the non-major sewer fund was \$1,075,137. Growth in net position for the water fund was \$468,698, before transfers, while the sewer fund saw a slight increase in net position of \$6,568. Other factors concerning the finances of these two funds have already been addressed in the discussion of the business-type activities.

General Fund Budgetary Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Board of County Commissioners adopts a permanent annual operating budget for the County on or about March 31. The most significant budgeted fund is the general fund.

Original Budget Compared to Final Budget During the year, there was no need to amend original estimated revenues. There was no need to amend total original appropriations. However, there was a need to reallocate appropriations between departments. The movement of appropriations between departments was not significant.

Final Budget Compared to Actual Results The most significant difference between estimated revenues and actual revenues was for sales tax receipts.

Final disbursement appropriations were higher than the actual disbursements. The most significant differences between final budgeted appropriations and actual disbursement were for legislative and executive and capital outlay, which were less than anticipated.

There were significant variances within other financing sources and uses for transfers, which were less than anticipated.

Debt

The County's overall debt decreased primarily as a result of current year principal payments. For further information regarding the County's debt, refer to Note 10 to the basic financial statements.

Guernsey County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023

Economic Factors

The unemployment rate for Guernsey County averaged 3.6 percent in November 2023. This rate is the same as the State of Ohio rate of 3.6 percent in November 2023.

The County's \$1,170,950,080 overall assessed valuation has increased \$44,660,270 from the prior year due to real property and public utility personal property increases. The table below compares 2022 values to 2023 values.

| | 2022 | 2023 | Change |
|----------------------------------|--------------------------------|--------------------------------|-----------------------------|
| Real Property | \$ 939,355,640 | \$ 958,212,770 | \$ 18,857,130 |
| Public Utility Real Property | 386,950 | 378,070 | (8,880) |
| Public Utility Personal Property | <u>186,547,220</u> | <u>212,359,240</u> | <u>25,812,020</u> |
| Total Assessed Value | <u><u>\$ 1,126,289,810</u></u> | <u><u>\$ 1,170,950,080</u></u> | <u><u>\$ 44,660,270</u></u> |

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Cory Johnson, Guernsey County Auditor, 627 Wheeling Avenue, Cambridge, Ohio 43725.

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Guernsey County, Ohio
Statement of Net Position - Cash Basis
December 31, 2023

| | Governmental Activities | Business-Type Activities | Total |
|--|-----------------------------|-----------------------------|-----------------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 56,106,525 | \$ 2,120,151 | \$ 58,226,676 |
| Cash and Cash Equivalents in Segregated Accounts | 109,774 | - | 109,774 |
| Cash and Cash Equivalents with Fiscal Agents | 1,765,237 | - | 1,765,237 |
| <i>Total Assets</i> | <u>\$ 57,981,536</u> | <u>\$ 2,120,151</u> | <u>\$ 60,101,687</u> |
| Net Position | | | |
| Restricted for: | | | |
| Capital Outlay | \$ 3,554,923 | \$ - | \$ 3,554,923 |
| Debt Service | 111,556 | - | 111,556 |
| Motor Vehicle and Gasoline Tax | 2,471,696 | - | 2,471,696 |
| Public Assistance | 647,926 | - | 647,926 |
| Children Services | 4,055,149 | - | 4,055,149 |
| Expendable | 59,421 | - | 59,421 |
| Nonexpendable | 20,000 | - | 20,000 |
| Developmental Disabilities | 8,318,370 | - | 8,318,370 |
| Other Purposes | 10,459,257 | - | 10,459,257 |
| Unrestricted | 28,283,238 | 2,120,151 | 30,403,389 |
| <i>Total Net Position</i> | <u>\$ 57,981,536</u> | <u>\$ 2,120,151</u> | <u>\$ 60,101,687</u> |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2023

| | Program Receipts | | | | Net (Disbursements) Receipts and Changes in Net Position | | |
|---|----------------------|--------------------------------|--|--|--|--------------------------|------------------------|
| | Cash Disbursements | Charges for Services and Sales | Operating Grants, Contributions and Interest | Capital Grants, Contributions and Interest | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities | | | | | | | |
| General Government | | | | | | | |
| Legislative and Executive | \$ 9,488,239 | \$ 2,987,233 | \$ - | \$ 32,612 | \$ (6,468,394) | \$ - | \$ (6,468,394) |
| Judicial | 4,943,489 | 1,442,476 | 592,826 | - | (2,908,187) | - | (2,908,187) |
| Public Safety | 6,686,698 | 290,824 | 822,211 | - | (5,573,663) | - | (5,573,663) |
| Public Works | 7,388,747 | 57,034 | 5,787,000 | 1,684,003 | 139,290 | - | 139,290 |
| Health | 10,365,442 | 1,136,433 | 1,890,336 | - | (7,338,673) | - | (7,338,673) |
| Human Services | 16,282,725 | 276,407 | 12,529,663 | - | (3,476,655) | - | (3,476,655) |
| Economic Development | 205,602 | - | 188,422 | - | (17,180) | - | (17,180) |
| Other | 289,905 | - | - | - | (289,905) | - | (289,905) |
| Capital Outlay | 1,841,176 | 71,718 | - | 39,290 | (1,730,168) | - | (1,730,168) |
| Debt Service: | | | | | | | |
| Principal Retirements | 1,419,672 | - | - | - | (1,419,672) | - | (1,419,672) |
| Interest and Fiscal Charges | 84,328 | - | - | - | (84,328) | - | (84,328) |
| <i>Total Governmental Activities</i> | <i>58,996,023</i> | <i>6,262,125</i> | <i>21,810,458</i> | <i>1,755,905</i> | <i>(29,167,535)</i> | <i>-</i> | <i>(29,167,535)</i> |
| Business-Type Activities | | | | | | | |
| Sewer | 925,048 | 931,616 | - | - | - | 6,568 | 6,568 |
| Water | 3,398,595 | 3,830,315 | 20,875 | - | - | 452,595 | 452,595 |
| <i>Total Business-Type Activities</i> | <i>4,323,643</i> | <i>4,761,931</i> | <i>20,875</i> | <i>-</i> | <i>-</i> | <i>459,163</i> | <i>459,163</i> |
| <i>Total Government</i> | <i>\$ 63,319,666</i> | <i>\$ 11,024,056</i> | <i>\$ 21,831,333</i> | <i>\$ 1,755,905</i> | <i>\$ (29,167,535)</i> | <i>\$ 459,163</i> | <i>\$ (28,708,372)</i> |
| General Receipts: | | | | | | | |
| Property Taxes Levied for: | | | | | | | |
| General Purposes | | | | 2,588,839 | - | 2,588,839 | |
| Health Levy | | | | 1,682,564 | - | 1,682,564 | |
| County Home | | | | 798,086 | - | 798,086 | |
| Children Services | | | | 2,910,288 | - | 2,910,288 | |
| Development Disabilities | | | | 3,635,448 | - | 3,635,448 | |
| Enhanced 911 System Levy | | | | 939,263 | - | 939,263 | |
| Senior Citizens Levy | | | | 1,512,721 | - | 1,512,721 | |
| Sales Taxes Levied for: | | | | | | | |
| General Purposes | | | 10,686,413 | - | 10,686,413 | | |
| Debt Service | | | 219,822 | - | 219,822 | | |
| Capital Improvement | | | 600,000 | - | 600,000 | | |
| Other Local Taxes | | | 1,039,546 | - | 1,039,546 | | |
| Grants and Entitlements not Restricted to Specific Programs | | | 2,434,666 | - | 2,434,666 | | |
| American Rescue Plan Act Funding - Not Restricted to a | | | | | | | |
| Specific Program | | | 100,000 | - | 100,000 | | |
| Proceeds from Sale of Assets | | | 27,289 | - | 27,289 | | |
| Investment Earnings | | | 1,201,042 | - | 1,201,042 | | |
| Insurance Recoveries | | | 174,073 | - | 174,073 | | |
| Miscellaneous | | | 616,670 | 16,103 | 632,773 | | |
| <i>Total General Receipts</i> | | | <i>31,166,730</i> | <i>16,103</i> | <i>31,182,833</i> | | |
| Transfers | | | 232,935 | (232,935) | - | | |
| <i>Change in Net Position</i> | | | 2,232,130 | 242,331 | 2,474,461 | | |
| <i>Net Position Beginning of Year</i> | | | <i>55,749,406</i> | <i>1,877,820</i> | <i>57,627,226</i> | | |
| <i>Net Position End of Year</i> | | | <i>\$ 57,981,536</i> | <i>\$ 2,120,151</i> | <i>\$ 60,101,687</i> | | |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2023

| | <u>General</u> | <u>Public Assistance</u> | <u>Board of Developmental Disabilities</u> | <u>Children's Services</u> | <u>All Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-----------------------------|--------------------------|--|----------------------------|-------------------------------------|---------------------------------|
| Assets | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 22,106,078 | \$ 647,926 | \$ 6,553,133 | \$ 2,134,427 | \$ 18,288,452 | \$ 49,730,016 |
| Cash and Cash Equivalents in Segregated Accounts | 1,022 | - | - | - | 108,752 | 109,774 |
| Cash and Cash Equivalents with Fiscal Agents | - | - | 1,765,237 | - | - | 1,765,237 |
| <i>Total Assets</i> | <u>\$ 22,107,100</u> | <u>\$ 647,926</u> | <u>\$ 8,318,370</u> | <u>\$ 2,134,427</u> | <u>\$ 18,397,204</u> | <u>\$ 51,605,027</u> |
| Fund Balances | | | | | | |
| Nonspendable | \$ 214,010 | \$ - | \$ - | \$ - | \$ 20,000 | \$ 234,010 |
| Restricted | - | 647,926 | 8,318,370 | 2,134,427 | 18,363,565 | 29,464,288 |
| Committed | 215,000 | - | - | - | 13,639 | 228,639 |
| Assigned | 2,745,008 | - | - | - | - | 2,745,008 |
| Unassigned | 18,933,082 | - | - | - | - | 18,933,082 |
| <i>Total Fund Balances</i> | <u>\$ 22,107,100</u> | <u>\$ 647,926</u> | <u>\$ 8,318,370</u> | <u>\$ 2,134,427</u> | <u>\$ 18,397,204</u> | <u>\$ 51,605,027</u> |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position - Cash Assets of Governmental Activities*
December 31, 2023

| | |
|---|---------------|
| Total Governmental Fund Balances | \$ 51,605,027 |
|---|---------------|

*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.

| | |
|--|-----------|
| | 6,376,509 |
|--|-----------|

| | |
|--|---------------------------|
| <i>Net Position of Governmental Activities</i> | <hr/> <hr/> \$ 57,981,536 |
|--|---------------------------|

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

| | General | Public Assistance | Board of Developmental Disabilities | Children's Services | All Other Governmental Funds | Total Governmental Funds |
|--|-----------------------------|--------------------------|-------------------------------------|----------------------------|------------------------------|-----------------------------|
| Receipts | | | | | | |
| Property Taxes | \$ 2,588,839 | \$ - | \$ 3,635,448 | \$ 2,910,288 | \$ 4,932,634 | \$ 14,067,209 |
| Sales Taxes | 10,686,413 | - | - | - | 819,822 | 11,506,235 |
| Other Local Taxes | - | - | - | - | 1,039,546 | 1,039,546 |
| Special Assessments | - | - | - | - | 39,401 | 39,401 |
| Charges for Services | 3,041,870 | - | 318,380 | 122,007 | 2,220,103 | 5,702,360 |
| Licenses and Permits | 37,729 | - | - | - | 218,955 | 256,684 |
| Fines and Forfeitures | 47,282 | - | - | - | 143,410 | 190,692 |
| Intergovernmental | 2,434,666 | 6,417,852 | 1,674,135 | 4,639,621 | 10,849,101 | 26,015,375 |
| Interest | 1,201,042 | - | - | 2,652 | 5,567 | 1,209,261 |
| Rent | - | - | - | - | 112,389 | 112,389 |
| Contributions and Donations | - | - | - | 6,812 | 31,222 | 38,034 |
| Other | 433,998 | 592 | 5,778 | 4,679 | 171,623 | 616,670 |
| <i>Total Receipts</i> | <i>20,471,839</i> | <i>6,418,444</i> | <i>5,633,741</i> | <i>7,686,059</i> | <i>20,583,773</i> | <i>60,793,856</i> |
| Disbursements | | | | | | |
| Current: | | | | | | |
| General Government | | | | | | |
| Legislative and Executive | 7,168,766 | - | - | - | 2,131,813 | 9,300,579 |
| Judicial | 4,206,683 | - | - | - | 718,026 | 4,924,709 |
| Public Safety | 4,448,938 | - | - | - | 2,122,363 | 6,571,301 |
| Public Works | 139,853 | - | - | - | 7,156,965 | 7,296,818 |
| Health | 48,917 | - | 5,073,951 | - | 5,141,948 | 10,264,816 |
| Human Services | 515,982 | 6,545,525 | - | 7,513,953 | 1,589,765 | 16,165,225 |
| Economic Development and Assistance | - | - | - | - | 205,602 | 205,602 |
| Other | 289,905 | - | - | - | - | 289,905 |
| Capital Outlay | 390,187 | - | - | - | 1,450,989 | 1,841,176 |
| Debt Service: | | | | | | |
| Principal Retirement | - | - | - | - | 1,419,672 | 1,419,672 |
| Interest and Fiscal Charges | - | - | - | - | 84,328 | 84,328 |
| <i>Total Disbursements</i> | <i>17,209,231</i> | <i>6,545,525</i> | <i>5,073,951</i> | <i>7,513,953</i> | <i>22,021,471</i> | <i>58,364,131</i> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <i>3,262,608</i> | <i>(127,081)</i> | <i>559,790</i> | <i>172,106</i> | <i>(1,437,698)</i> | <i>2,429,725</i> |
| Other Financing Sources (Uses) | | | | | | |
| Insurance Recoveries | - | - | - | - | 174,073 | 174,073 |
| Proceeds from Sale of Assets | - | - | - | - | 27,289 | 27,289 |
| Transfers In | 8,288 | 69,607 | - | - | 1,383,832 | 1,461,727 |
| Transfers Out | (475,861) | - | - | - | (752,931) | (1,228,792) |
| Advances In | - | - | - | - | 10,000 | 10,000 |
| Advances Out | - | - | - | - | (10,000) | (10,000) |
| <i>Total Other Financing Sources (Uses)</i> | <i>(467,573)</i> | <i>69,607</i> | <i>-</i> | <i>-</i> | <i>832,263</i> | <i>434,297</i> |
| <i>Net Change in Fund Balance</i> | <i>2,795,035</i> | <i>(57,474)</i> | <i>559,790</i> | <i>172,106</i> | <i>(605,435)</i> | <i>2,864,022</i> |
| <i>Fund Balance Beginning of Year</i> | <i>19,312,065</i> | <i>705,400</i> | <i>7,758,580</i> | <i>1,962,321</i> | <i>19,002,639</i> | <i>48,741,005</i> |
| <i>Fund Balance End of Year</i> | <i><u>\$ 22,107,100</u></i> | <i><u>\$ 647,926</u></i> | <i><u>\$ 8,318,370</u></i> | <i><u>\$ 2,134,427</u></i> | <i><u>\$ 18,397,204</u></i> | <i><u>\$ 51,605,027</u></i> |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio

*Reconciliation of the Statement of Receipts, Disbursements and Changes
in Cash Basis Fund Balances of Governmental Funds to the Statement of Activities - Cash Basis
For the Year Ended December 31, 2023*

Net Change in Fund Balances - Total Governmental Funds \$ 2,864,022

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

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

(631,892)

Change in Net Position of Governmental Activities \$ 2,232,130

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2023

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) | |
|--|----------------------|----------------------|----------------------|--|--|
| | Original | Final | Actual | | |
| | | | | | |
| Receipts | | | | | |
| Property Taxes | \$ 2,450,000 | \$ 2,450,000 | \$ 2,609,857 | \$ 159,857 | |
| Sales Taxes | 8,800,000 | 8,800,000 | 10,686,413 | 1,886,413 | |
| Charges for Services | 1,970,941 | 1,970,941 | 2,354,875 | 383,934 | |
| Licenses and Permits | 9,150 | 9,150 | 37,729 | 28,579 | |
| Fines and Forfeitures | 35,300 | 35,300 | 47,282 | 11,982 | |
| Intergovernmental | 2,139,900 | 2,139,900 | 2,434,666 | 294,766 | |
| Interest | 375,000 | 375,000 | 1,201,042 | 826,042 | |
| Other | 362,968 | 362,968 | 289,758 | (73,210) | |
| <i>Total Receipts</i> | <u>16,143,259</u> | <u>16,143,259</u> | <u>19,661,622</u> | <u>3,518,363</u> | |
| Disbursements | | | | | |
| Current: | | | | | |
| General Government | | | | | |
| Legislative and Executive | 8,211,835 | 8,322,714 | 7,229,924 | 1,092,790 | |
| Judicial | 3,584,782 | 3,828,717 | 3,659,138 | 169,579 | |
| Public Safety | 4,719,935 | 4,648,784 | 4,524,999 | 123,785 | |
| Public Works | 168,435 | 168,435 | 139,853 | 28,582 | |
| Health | 129,000 | 129,000 | 58,917 | 70,083 | |
| Human Services | 605,730 | 557,695 | 526,124 | 31,571 | |
| Other | 321,994 | 306,994 | 289,905 | 17,089 | |
| Capital Outlay | 895,591 | 975,327 | 417,030 | 558,297 | |
| <i>Total Disbursements</i> | <u>18,637,302</u> | <u>18,937,666</u> | <u>16,845,890</u> | <u>2,091,776</u> | |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(2,494,043)</u> | <u>(2,794,407)</u> | <u>2,815,732</u> | <u>5,610,139</u> | |
| Other Financing Sources (Uses) | | | | | |
| Advances In | - | - | 5,500 | 5,500 | |
| Transfers In | 8,647 | 8,647 | 8,647 | - | |
| Transfers Out | (1,875,742) | (1,575,381) | (495,861) | 1,079,520 | |
| Advances Out | (150,000) | (150,000) | (5,500) | 144,500 | |
| <i>Total Other Financing Sources (Uses)</i> | <u>(2,017,095)</u> | <u>(1,716,734)</u> | <u>(487,214)</u> | <u>1,229,520</u> | |
| <i>Net Change in Fund Balance</i> | <u>(4,511,138)</u> | <u>(4,511,141)</u> | <u>2,328,518</u> | <u>6,839,659</u> | |
| <i>Fund Balance Beginning of Year</i> | <u>16,911,145</u> | <u>16,911,145</u> | <u>16,911,145</u> | <u>-</u> | |
| Prior Year Encumbrances Appropriated | <u>397,967</u> | <u>397,967</u> | <u>397,967</u> | <u>-</u> | |
| <i>Fund Balance End of Year</i> | <u>\$ 12,797,974</u> | <u>\$ 12,797,971</u> | <u>\$ 19,637,630</u> | <u>\$ 6,839,659</u> | |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Public Assistance Fund
For the Year Ended December 31, 2023

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Over (Under) |
|--|-------------------------|------------------|-------------------|--|
| | Original | Final | Actual | |
| | | | | |
| Receipts | | | | |
| Intergovernmental | \$ 7,631,082 | \$ 6,418,052 | \$ 6,417,852 | \$ (200) |
| Other | - | - | 592 | 592 |
| <i>Total Receipts</i> | <i>7,631,082</i> | <i>6,418,052</i> | <i>6,418,444</i> | <i>392</i> |
| Disbursements | | | | |
| Current: | | | | |
| Human Services | 8,363,670 | 7,153,640 | 6,856,180 | 297,460 |
| Capital Outlay | 3,000 | - | - | - |
| <i>Total Disbursements</i> | <i>8,366,670</i> | <i>7,153,640</i> | <i>6,856,180</i> | <i>297,460</i> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <i>(735,588)</i> | <i>(735,588)</i> | <i>(437,736)</i> | <i>297,852</i> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 70,000 | 70,000 | 69,607 | (393) |
| <i>Net Change in Fund Balance</i> | <i>(665,588)</i> | <i>(665,588)</i> | <i>(368,129)</i> | <i>297,459</i> |
| <i>Fund Balance Beginning of Year</i> | <i>316,399</i> | <i>316,399</i> | <i>316,399</i> | <i>-</i> |
| Prior Year Encumbrances Appropriated | 349,193 | 349,193 | 349,193 | - |
| <i>Fund Balance End of Year</i> | <i>\$ 4</i> | <i>\$ 4</i> | <i>\$ 297,463</i> | <i>\$ 297,459</i> |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Board of Developmental Disabilities Fund
For the Year Ended December 31, 2023

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) | |
|---|----------------------------|----------------------------|----------------------------|--|--|
| | Original | Final | Actual | | |
| | | | | | |
| Receipts | | | | | |
| Property Taxes | \$ 3,379,000 | \$ 3,379,000 | \$ 3,529,161 | \$ 150,161 | |
| Charges for Services | 379,880 | 379,880 | 318,380 | (61,500) | |
| Intergovernmental | 1,278,370 | 1,028,370 | 1,674,135 | 645,765 | |
| Other | - | - | 5,778 | 5,778 | |
| <i>Total Receipts</i> | <i>5,037,250</i> | <i>4,787,250</i> | <i>5,527,454</i> | <i>740,204</i> | |
| Disbursements | | | | | |
| Current: | | | | | |
| Health | <u>7,218,876</u> | <u>6,234,988</u> | <u>5,311,324</u> | <u>923,664</u> | |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 3,023,000 | 677,513 | - | (677,513) | |
| Transfers Out | (5,640,000) | (4,048,400) | - | 4,048,400 | |
| <i>Total Other Financing Sources (Uses)</i> | <i>(2,617,000)</i> | <i>(3,370,887)</i> | <i>-</i> | <i>3,370,887</i> | |
| <i>Net Change in Fund Balance</i> | <i>(4,798,626)</i> | <i>(4,818,625)</i> | <i>216,130</i> | <i>5,034,755</i> | |
| <i>Fund Balance Beginning of Year</i> | <i>7,358,408</i> | <i>7,358,408</i> | <i>7,358,408</i> | <i>-</i> | |
| Prior Year Encumbrances Appropriated | <u>229,426</u> | <u>229,426</u> | <u>229,426</u> | <u>-</u> | |
| <i>Fund Balance End of Year</i> | <i><u>\$ 2,789,208</u></i> | <i><u>\$ 2,769,209</u></i> | <i><u>\$ 7,803,964</u></i> | <i><u>\$ 5,034,755</u></i> | |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Children's Services
For the Year Ended December 31, 2023

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) | |
|--|---------------------|--------------------|---------------------|--|--|
| | Original | Final | Actual | | |
| | | | | | |
| Receipts | | | | | |
| Property Taxes | \$ 2,747,680 | \$ 2,747,680 | \$ 2,927,219 | \$ 179,539 | |
| Charges for Services | 305,000 | 305,000 | 122,007 | (182,993) | |
| Intergovernmental | 4,141,000 | 4,141,000 | 4,639,621 | 498,621 | |
| Interest | 300 | - | 2,652 | 2,652 | |
| Contributions and Donations | 4,000 | 4,000 | 6,812 | 2,812 | |
| Other | 10,350 | 10,350 | 4,679 | (5,671) | |
| <i>Total Receipts</i> | <u>7,208,330</u> | <u>7,208,030</u> | <u>7,702,990</u> | <u>494,960</u> | |
| Disbursements | | | | | |
| Current: | | | | | |
| Human Services | <u>7,885,960</u> | <u>8,235,659</u> | <u>8,027,157</u> | <u>208,502</u> | |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(677,630)</u> | <u>(1,027,629)</u> | <u>(324,167)</u> | <u>703,462</u> | |
| <i>Net Change in Fund Balance</i> | <u>(677,630)</u> | <u>(1,027,629)</u> | <u>(324,167)</u> | <u>703,462</u> | |
| <i>Fund Balance Beginning of Year</i> | 1,353,224 | 1,353,224 | 1,353,224 | - | |
| Prior Year Encumbrances Appropriated | <u>440,660</u> | <u>440,660</u> | <u>440,660</u> | <u>-</u> | |
| <i>Fund Balance End of Year</i> | <u>\$ 1,116,254</u> | <u>\$ 766,255</u> | <u>\$ 1,469,717</u> | <u>\$ 703,462</u> | |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2023

| | Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|---------------------|--------------------------------|---------------------|---|
| | Water | Nonmajor Enterprise Fund | Total | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$ 1,045,014</u> | <u>\$ 1,075,137</u> | <u>\$ 2,120,151</u> | <u>\$ 6,376,509</u> |
| Net Position | | | | |
| Unrestricted | <u>\$ 1,045,014</u> | <u>\$ 1,075,137</u> | <u>\$ 2,120,151</u> | <u>\$ 6,376,509</u> |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2023

| | Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|---|---------------------|--------------------------|---------------------|--|
| | Water | Nonmajor Enterprise Fund | Totals | |
| Operating Receipts | | | | |
| Charges for Services | \$ 3,793,815 | \$ 931,616 | \$ 4,725,431 | \$ 7,439,651 |
| Tap-In Fees | 36,500 | - | 36,500 | - |
| Other | 16,103 | - | 16,103 | 56,467 |
| <i>Total Operating Receipts</i> | <u>3,846,418</u> | <u>931,616</u> | <u>4,778,034</u> | <u>7,496,118</u> |
| Operating Disbursements | | | | |
| Personal Services | 596,422 | 246,706 | 843,128 | - |
| Contractual Services | 2,282,866 | 356,762 | 2,639,628 | 1,596,533 |
| Materials and Supplies | 249,179 | 33,796 | 282,975 | - |
| Claims | - | - | - | 6,531,477 |
| Capital Outlay | 12,796 | 2,624 | 15,420 | - |
| Other | 8,860 | 480 | 9,340 | - |
| <i>Total Operating Disbursements</i> | <u>3,150,123</u> | <u>640,368</u> | <u>3,790,491</u> | <u>8,128,010</u> |
| <i>Operating Income (Loss)</i> | <u>696,295</u> | <u>291,248</u> | <u>987,543</u> | <u>(631,892)</u> |
| Non-Operating Receipts (Disbursements) | | | | |
| Special Assessments | 20,875 | - | 20,875 | - |
| Principal Retirement | (154,942) | (249,094) | (404,036) | - |
| Interest and Fiscal Charges | (93,530) | (35,586) | (129,116) | - |
| <i>Net Non-Operating Receipts (Disbursements)</i> | <u>(227,597)</u> | <u>(284,680)</u> | <u>(512,277)</u> | <u>-</u> |
| <i>Income (Loss) Before Transfers</i> | <u>468,698</u> | <u>6,568</u> | <u>475,266</u> | <u>(631,892)</u> |
| Transfers Out | <u>(232,935)</u> | <u>-</u> | <u>(232,935)</u> | <u>-</u> |
| <i>Change in Net Position</i> | <u>235,763</u> | <u>6,568</u> | <u>242,331</u> | <u>(631,892)</u> |
| <i>Net Position Beginning of Year</i> | <u>809,251</u> | <u>1,068,569</u> | <u>1,877,820</u> | <u>7,008,401</u> |
| <i>Net Position End of Year</i> | <u>\$ 1,045,014</u> | <u>\$ 1,075,137</u> | <u>\$ 2,120,151</u> | <u>\$ 6,376,509</u> |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Statement of Fiduciary Net Position - Cash Basis
Fiduciary Funds
December 31, 2023

| | Custodial Funds |
|---|----------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$ 3,788,698 |
| Cash and Cash Equivalents in Segregated Accounts | 343,282 |
| <i>Total Assets</i> | <u>4,131,980</u> |
| Net Position | |
| Restricted for Individuals, Organizations and Other Governments | <u>\$ 4,131,980</u> |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Statement of Changes in Fiduciary Net Position - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2023

| | Custodial Funds |
|--|----------------------------|
| Additions | |
| Intergovernmental | \$ 5,593,057 |
| Amounts Received as Fiscal Agent | 1,946,745 |
| Licenses, Permits & Fees for Other Governments | 9,615,204 |
| Fines & Forfeitures for Other Governments | 381,389 |
| Property Tax Collections for Other Governments | 39,709,418 |
| Sheriff Sale Collections for Other Governments | 421,892 |
| Amounts Received for Others | 290,466 |
| Other | 218,404 |
| <i>Total Additions</i> | <u>58,176,575</u> |
| Deductions | |
| Distributions as Fiscal Agent | 1,947,322 |
| Distributions of State Funds to Other Governments | 5,578,010 |
| Licenses, Permits & Fee Distributions to Other Governments | 9,645,516 |
| Fines & Forfeitures Distributions to Other Governments | 455,477 |
| Property Tax Distributions to Other Governments | 39,986,656 |
| Sheriff Sale Distributions to Other Governments | 418,857 |
| Other Distributions | 527,057 |
| <i>Total Deductions</i> | <u>58,558,895</u> |
| <i>Change in Net Position</i> | <u>(382,320)</u> |
| <i>Net Position Beginning of Year</i> | <u>4,514,300</u> |
| <i>Net Position End of Year</i> | <u>\$ 4,131,980</u> |

See accompanying notes to the cash financial statements.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

NOTE 1 – REPORTING ENTITY

Guernsey County (the “County”) is a body politic and corporate established in 1810 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County is comprised of nineteen townships, one city, and ten villages. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County’s operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, County Municipal Court Judge, Common Pleas Judge (also serves as the Domestic Relations Judge) and Probate Court Judge (also serves as the Juvenile Court Judge). Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

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 Guernsey County, this includes the Department of Developmental Disabilities, Children Services Board, Soldiers’ Relief Commission, Local Emergency Planning Committee (LEPC), Water and Sanitary Sewer Districts, and all departments and activities that are directly operated by the elected officials.

B. Component Units

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

The Guernsey County Port Authority qualifies as a component unit of the County, however it has not been presented in the financial statements or note disclosures as it is considered immaterial. In 2017, the Guernsey County Land Reutilization Corporation (“Land Bank”) was developed. The Land Bank qualifies as a discretely presented component unit, however has not been presented in the financial statements or note disclosures as it is considered immaterial.

The following potential component units have been excluded from the County’s financial statements because the County is not financially accountable for these organizations nor are these entities for which the County approves the budget, the issuance of debt, or the levying of taxes:

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

- Guernsey County District Public Library
- Ohio Valley Educational Service Center
- Guernsey Health Systems (Guernsey Health Foundation)
- Pritchard-Laughlin Convention Center

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:

Guernsey 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.

Guernsey 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.

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 several jointly governed organizations, related organizations and public entity risk pools.

JOINTLY GOVERNED ORGANIZATIONS

Southeastern Ohio Joint Solid Waste Management District The County is a member of the Southeastern Ohio Joint Solid Waste Management District (District) which consists of Monroe, Guernsey, Morgan, Muskingum, Noble, and Washington Counties. The purpose of the District is to make disposal of waste in the six-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by the Ohio Revised Code.

The District is governed and operated through three groups. An eighteen member board of directors, comprised of three commissioners from each county, is responsible for the District's financial matters. Financial records were maintained by Muskingum County until May 1993 at which time Noble County assumed the responsibility. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. Although the County contributed amounts to the District at the time of its creation, no contributions were made by the County in 2023. No future contributions by the County are anticipated. A forty-three member policy committee comprised of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Continued existence of the District is not dependent on the County's continued participation and no equity interest exists.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

Guernsey-Monroe-Noble Community Action Corporation (GMN) The Guernsey-Monroe-Noble Community Action Corporation (GMN) is a non-profit organization formed to plan, conduct, and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Guernsey, Monroe, and Noble Counties. The agency is governed by a Board of Directors comprised of eighteen members from various professional backgrounds. The agency receives federal and state monies which are applied for and received by, and in the name of, the Board of Directors. Continued existence of the Community Action Agency is not dependent upon the County's continued participation, nor does the County have an equity interest in the agency.

Oakview Juvenile Residential Center The Oakview Juvenile Residential Center is a jointly governed organization among Monroe, Belmont, Harrison, Guernsey, Jefferson, and Noble counties. The Center was formed to operate a regional juvenile rehabilitation facility for the use of member counties, and to house and treat adjudicated non-violent felony offenders. The facility is operated and managed by Oakview Juvenile Residential Center. The participating entities created a Judicial Rehabilitation Board the members of which are made up of the Juvenile Judges of each participating county. The Board exercises total control of the budgeting, appropriation, contracting, and management. Each county's degree of control is limited to its representation on the Board.

A twelve member Advisory Board has been created whose members are appointed by the Judicial Rehabilitation Board of which all participating Counties have two appointees. The facility is located on property now owned by Belmont County. Policies, procedures, and the operating budget are approved by the Judicial Rehabilitation Board.

Guernsey County Family Service Council The Guernsey County Family Service Council (Council) is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is made up of the following members: Director of the Board of Alcohol, Drug Addiction, and Mental Health Services, Director of the Guernsey County Community Mental Health Services Board, Health Commissioner of the Guernsey County Health Department, Health Commissioner of the City of Cambridge Health Department, Director of the Guernsey County Human Services, Director of the Children Services Department, Superintendent of the Guernsey County Department of Development Disabilities, the Guernsey County Juvenile Court Judge, Superintendent of Cambridge City Schools, Mayor of the City of Cambridge, one representative from the City of Cambridge, Chair of the Guernsey County Commissioners, State Department of Youth Services Regional representative, representative from the County Head Start Agencies, a representative of the County's Early Intervention Collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004", and at least three individuals representing the interests of families in the County. When possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership.

Mental Health and Recovery Services Board The Mental Health and Recovery Services Board (Board) is a jointly governed organization. Participants are Muskingum, Coshocton, Guernsey, Perry, Morgan, and Noble Counties. The Board has responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The Board consists of fourteen members appointed by either the participating county commissioners or the Ohio Department of Mental Health and Addiction Services. Members are residents of the Board's six-county area. The Board exercises total control, including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

During 2015, Guernsey County began collecting a ten-year 1.0 mill levy approved by the voters in 2014. The Board is also supported by levies from other member counties, and state and federal grants awarded to the multi-county board. Continued existence of the Board is not dependent on County's continued participation. The County has no equity interest in, or financial responsibility for the Board.

Mid-East Ohio Regional Council of Governments (MEORC) The Mid-East Ohio Regional Council of Governments (MEORC) is a jointly governed organization which serves nineteen counties in Ohio. MEORC provides services to the mentally retarded and developmentally disabled residents in the participating counties. MEORC is made up of the superintendents of each county's Department of Developmental Disabilities. Revenues are generated by fees and state grants. Continued existence of MEORC is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the MEORC.

Ohio Mid-Eastern Governments Association (OMEGA) Ohio Mid-Eastern Governments Association (OMEGA) is organized as an agency of the local governments by agreement among the membership. OMEGA is comprised of Belmont, Carroll, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Tuscarawas, and Columbiana Counties and other political subdivisions in the counties. OMEGA was formed to aid and assist the participating counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA's governing board is comprised of a total of three members from each county which appoints an executive board consisting of one person from each member county to supervise the administrative functions of OMEGA. The executive board elects officers, appoints an executive director and its own fiscal officer. The Board exercises total control, including budgeting, appropriating, contracting, and designating management. The continued existence of OMEGA is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the OMEGA.

Cambridge-Guernsey County Visitors and Convention Bureau (Bureau) The Bureau is organized under State Statute by agreement between the Guernsey County Commissioners, the Cambridge Area Chamber of Commerce, and the Cambridge-Guernsey Community Improvement Corporation who acts as the fiscal agent for the Bureau. The Bureau operates the Guernsey County Tourist Information Center. The Bureau is governed by a seven member Board of Directors. The Board is comprised of one member of the Guernsey County Board of Commissioners, one member appointed by the Guernsey County Board of Commissioners, the president of the Guernsey Innkeeper's Association, one member appointed by the Guernsey County Innkeeper's Association, the president of the Chamber of Commerce, one member appointed by the Chamber of Commerce, and the executive vice president of the Chamber of Commerce. The Board exercises total control, including budgeting, appropriating, contracting, and designating management. The County collects and distributes a three percent hotel/motel lodging tax to the Bureau. The County has no equity interest in, or financial responsibility for the Bureau.

Area Agency on Aging, Region 9 The Area Agency on Aging (Agency) is a non-profit corporation that assists nine counties, including Guernsey County in providing services to senior citizens in the Agency's service area. The Agency is governed by a board of directors comprised of two representatives appointed by each participating County. The board has total control over budgeting, personnel, and all other financial matters. The continued existence of the Agency is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the Agency.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

Eastern Ohio Correctional Center (EOCC) The Eastern Ohio Correctional Center (EOCC) is a six county facility created pursuant to the Ohio Revised Code Section 2301.51. EOCC serves Belmont, Carroll, Columbiana, Guernsey, Harrison, and Jefferson Counties. The EOCC was formed in 1987 to offer drug treatment, education, work release, community services, and other rehabilitation services to convicted felons within the six counties. The EOCC is governed by a ten member board comprised of two common pleas court judges from Belmont, Carroll, Columbiana, and Jefferson Counties and one common pleas court judge from Guernsey and Harrison Counties. The common pleas judges appoint a citizens advisory board to assist in the operations of the EOCC. The board has total control over budgeting, personnel, and financial matters. The EOCC receives funding in the form of state grant monies which are used to provide the various services of the EOCC. Jefferson County serves as fiscal agent for EOCC. The continued existence of the EOCC is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for the EOCC.

South East Area Transit (SEAT) The South East Area Transit (SEAT) was created pursuant to state statutes in 1979 for the purpose of providing transportation in the City of Zanesville, Muskingum County, City of Cambridge, and Guernsey County, as well as the southeastern Ohio area. SEAT's Board of Trustees consists of eleven members that serve overlapping three-year terms. Six members are appointed by the Mayor of Zanesville with the consent of City Council, two members are appointed by the Muskingum County Commissioners, and the remaining three members are appointed by the Guernsey County Commissioners, the Mayor of Cambridge, and the Mayor of South Zanesville. The Board exercises total control over the operations of SEAT including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. During 2023, SEAT received \$1,454,128 from the County along with a contribution of \$7,000. The continued existence of SEAT is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the Authority.

RELATED ORGANIZATIONS

Guernsey County Convention Facilities Authority The Guernsey County Convention Facilities Authority (Authority) was created pursuant to State Statutes for the purpose of constructing, equipping, and operating a convention facility in Guernsey County. The Authority operates under the direction of a eleven member appointed board of directors. This board consists of six members appointed by Guernsey County, three members appointed by the Mayor of the City of Cambridge, and two members appointed by the remaining municipal corporations located within the County. The board contracted with a private group for the construction and operation of the Pritchard-Laughlin Civic Center; this center is controlled by a private board of directors which are self-appointing and have total control over the operation of the center including budgeting, appropriating, contracting, and designation of management. The Authority levied a three percent hotel/motel tax that is collected and distributed directly to the Center by the Guernsey County Commissioners. The County is prohibited from contributing to the operations of the Authority by state law.

Cambridge Metropolitan Housing Authority The Cambridge Metropolitan Housing Authority (Authority) is a nonprofit organization established to provide adequate public housing for low income individuals and was created pursuant to state statutes. The Authority is operated by a five member board. Two members are appointed by the mayor of the largest city in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County Commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The Board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

Guernsey County Park District The Guernsey County Park District (District) is governed by a three member Park District Board of Commissioners appointed by the probate judge of the County. State statute provides that the County Auditor and Treasurer are Ex-officio members of the Park District Board of Commissioners and designates the county auditor as fiscal officer of the commission. The county commissioners do not have the ability to significantly influence operations, designate management, approve budgets, nor is the County responsible for funding deficits. The County maintains a custodial fund for the District's operation since the County serves as fiscal agent for the District.

Guernsey County Airport Authority The Guernsey Airport Authority (Authority) is governed by a five-member Board. The original Board was appointed by the Guernsey County Commissioners, and the Commissioners approve members to fill vacancies upon recommendation of the current Authority Board. The Authority derives its revenues from hangar rental, state and federal grants received directly by the Authority, and interest. The County is not financially accountable for the Authority; the County cannot impose its will on the Authority; and no financial benefit/burden relationship exists between the County and the Authority.

PUBLIC ENTITY RISK POOLS

County Risk Sharing Authority, Inc. (CORS)A The County Risk Sharing Authority, Inc. (CORS)A is a jointly governed organization among 66 counties in Ohio. CORS was formed as an Ohio not-for-profit corporation for the purpose of establishing the CORS 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 CORS.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORS 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 of Trustees. No county may have more than one representative on the Board of Trustees at any time. Each member county's control over the budgeting and financing of CORS is limited to its voting authority and any representation it may have on the Board of Trustees.

County Commissioners Association of Ohio (CCAO) Workers' Compensation Group Retrospective Rating Program The County Commissioners Association of Ohio (CCAO) Workers' Compensation Group Retrospective Rating Program (Program) is a shared risk pool among fifty-four counties in Ohio. ORC Section 4123.29, permits the establishment of employer group retrospective rating plans for workers' compensation rating purposes. The Program is governed by the CCAO Group Executive Committee that consists of eleven members, as follows: the president and the secretary/treasurer of the County Commissioners' Association of Ohio Service Corporation, nine representatives elected from the participating Counties.

CCAO, a Bureau of Workers' Compensation (BWC)-certified sponsor, established the Program based upon guidelines set forth by BWC. CCAO created a group of Counties that will practice effective workplace safety and claims management to achieve lower premiums for workers' compensation coverage for group participants. The Counties continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon the performance, the participating Counties can receive either a premium refund or assessment. CCAO, with approval of the Group Executive Committee, retains the services of a third party administrator (TPA) that will assist CCAO staff in the day-to-day management of the plan, prepare and file necessary reports with BWC and member Counties, assist with loss control programs, and other duties (excluding claims-related matters which will be the responsibility of each individual participating County). The cost of the TPA will be paid by each participating County to CCAO in proportion to its payroll to the total payroll of the group.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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.

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.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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.

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.

Public Assistance – The Public Assistance fund accounts for various federal and state grants as well as transfers from the General Fund used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

Board of Developmental Disabilities – The Board of Developmental Disabilities Fund accounts for Home and Community Based supports for eligible children and adults with developmental disabilities who are residents of the County. Receipt sources are primarily federal funds and a countywide property tax levy.

Children's Services – The Children's Services Fund accounts for a County-wide property tax levy, Federal and State grants, support collections, Veteran's Administration and Social Security. Major expenditures are for foster homes, emergency shelters, medical care, school supplies, counseling and parental training.

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:

Water Fund – The Water Fund accounts for water services provided to County individual and commercial users. The costs of providing these services are financed primarily through user charges.

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

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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 which provide health and dental, benefits and worker's compensation to the employees of the County.

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. 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.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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 Cash Equivalents.”

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

The County utilized a jointly governed organization (MEORC) to service developmentally disabled residents within the County. The balance in this account is presented as “Cash and Cash Equivalents with Fiscal Agents.”

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 2023, the County invested in 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.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

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 2023 were \$1,201,042, which includes \$788,821 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.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. 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 (including the intangible right to use) when entering into a lease, SBITA or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments, SBITA payments, and financed purchase payments are reported when paid.

M. Leases and SBITAs

For 2023, GASB Statement No. 96, *Subscription-Based Technology Arrangements*, was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The County is the lessor/lessee (as defined by GASB 87) in various leases related to buildings and equipment under noncancelable leases. Lease receivables/payables are not reflected under the County's cash basis of accounting. Lease receipts/disbursements are recognized when they are received/paid.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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

N. 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. For 2023, distributions of \$113,652 are reflected as intergovernmental revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

O. 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. Net position restricted for other purposes include the senior citizens services, court programs, various health services, 911 system and economic development. The County applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

P. 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 the County Commissioners or a County official delegated that authority by resolution or by State Statute. State Statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

The County applies restricted resources first when disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE 3 – 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.

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 | Public Assistance | Board of Developmental Disabilities | Children's Services |
|--------------------------------|----------------------------|----------------------------|-------------------------------------|----------------------------|
| Cash Basis | \$ 2,795,035 | \$ (57,474) | \$ 559,790 | \$ 172,106 |
| Beginning of Year: | | | | |
| Custodial Fund Cash Allocation | 319,431 | 39,805 | 170,746 | 136,607 |
| End of Year: | | | | |
| Custodial Fund Cash Allocation | (301,990) | (42,158) | (279,151) | (124,040) |
| Funds Budgeted Elsewhere * | (193,493) | - | - | - |
| Adjustment for Encumbrances | <u>(290,465)</u> | <u>(308,302)</u> | <u>(235,255)</u> | <u>(508,840)</u> |
| Budget Basis | <u><u>\$ 2,328,518</u></u> | <u><u>\$ (368,129)</u></u> | <u><u>\$ 216,130</u></u> | <u><u>\$ (324,167)</u></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, Unclaimed Money, Board of Developmental Disabilities Risk, Employee Payout Reserve and Public Defender Indigent Fee.

NOTE 4 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the County into three 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.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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.

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.

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, Government National Mortgage Association, and Student Loan Marketing 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;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County, and within certain limitations including a requirement for maturity within 10 years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above, and repurchase agreements secured by such obligations, provided that 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;

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

9. Up to forty percent of the County's average portfolio, if certain 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 Reserve System 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 doing business under authority granted by the U.S. or any state, provided that the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. No-load money market mutual fund rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency of instrumentality, and/or highly rated commercial paper; and,
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

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.

Cash on Hand

At year end, the County had \$6,678 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

At December 31, 2023, the County's Board of Developmental Disabilities special revenue fund had a cash balance of \$1,765,237 with MEORC, a jointly governed organization (See Note 1). The money is held by MEORC in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 40. The classification of cash and cash equivalents and investments for MEORC as a whole may be obtained from their audit report. To obtain information, write to Mid East Ohio Regional Council, Cathy Henthorn, who serves as Associate Director of Business, 160 Columbus Road, Mt. Vernon, Ohio 43050.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

Investments

At December 31, 2023, the County had the following investments:

| Investment | Measurement Value | Maturities | | | % of Total Investment | S&P Global Rating |
|--|----------------------|----------------------|----------------------|---------------------|-----------------------|-------------------|
| | | Less than 1 Year | 1 to 3 Years | More Than 3 Years | | |
| Cost: | | | | | | |
| LPL Financial Money Market | \$ 659,587 | \$ 659,587 | \$ - | \$ - | 1.2% | N/A |
| US Treasury Notes | 620,645 | - | 620,645 | - | 1.1% | N/A |
| Negotiable Certificates of Deposit | 1,993,000 | 498,000 | 1,495,000 | - | 3.5% | N/A |
| Federal Home Loan Mortgage Notes | 44,835,000 | 8,700,000 | 29,635,000 | 6,500,000 | 79.4% | AA+ |
| Federal Farm Credit Bank Bonds | 7,000,000 | 3,902,000 | 3,098,000 | - | 12.4% | AA+ |
| Guernsey County Secondary Road Improvement Bonds | 1,242,237 | 824,014 | 418,223 | - | 2.2% | N/A |
| Net Asset Value (NAV): | | | | | | |
| STAR Ohio | 109,634 | 109,634 | - | - | 0.2% | AAAm |
| Total Investments | \$ 56,460,103 | \$ 14,693,235 | \$ 35,266,868 | \$ 6,500,000 | 100.0% | |

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 has no investment policy that addresses interest rate risk beyond the requirements of State statute. 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 County has no investment policy that addresses credit risk beyond the requirements of State statute. 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, 2023, is 46 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 5 – PERMISSIVE SALES AND USE TAX

On February 27, 1989, the County Commissioners adopted a resolution which imposed a one quarter of one percent Permissive Sales Tax (Piggy Back Tax). The sales tax came into effect on April 1, 1992, and expired on April 1, 1993. This sales tax was renewed for two consecutive one-year terms and expired on April 1, 1995. On August 1, 1993, the County Commissioners adopted a resolution which imposed an additional one-quarter of one percent Permissive Sales Tax bringing the total Permissive Sales Tax to one-half of one percent. On February 22, 1995, the County Commissioners adopted a resolution to combine the two one-quarter of one percent Permissive Sales Taxes to a one-half of one percent tax. On January 19, 2005, the County Commissioners passed a resolution making the sales tax permanent. The revenues generated from the sales tax are used for the purpose of providing additional revenue for the County's General Fund, Bond Retirement Fund and County Facilities Construction and Improvement Fund.

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies, to the Office of Budget and Management, the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Office of Budget and Management then has five days in which to draw the warrant payable to the County.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

NOTE 6 – PROPERTY TAXES

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

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

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

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

The full tax rate for all County operations for the year ended December 31, 2023, was \$18.75 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

| <u>2023</u> | |
|----------------------------------|--------------------------------|
| Real Property | \$ 958,212,770 |
| Public Utility Real Property | 378,070 |
| Public Utility Personal Property | <u>212,359,240</u> |
| Total Assessed Value | <u><u>\$ 1,170,950,080</u></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 7 – 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 (CORS) for liability, property, and crime insurance, the County has addressed these various types of risk.

CORS, 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. CORS was established May 12, 1987, and has grown to sixty members.

Under the CORS program for general liability, auto liability, error and omission for public officials, and law enforcement liability, the County has \$1,000,000 of total liability coverage for each loss. Each of these areas contains a \$2,500 member deductible amount. Property damage is covered for \$120,940,922 equipment breakdown coverage is covered for \$100,000,000 and crime insurance is covered for \$1,000,000 for each occurrence.

In addition, the County maintains replacement cost insurance through CORS on other property including the following: \$2,500,000 for valuable papers and extra expenses, \$250,000 for unintentional omissions, \$100,000,000 for flood and earthquake damage, and \$1,000,000 for debris removal.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

Contractor's equipment is insured at replacement cost. Miscellaneous inland marine, and auto physical damage are insured for their actual cash value under CORSA.

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 CORSA. The County pays all elected officials bonds by statute.

The County contracts with MedBen, Delta Dental, and True RX to provide employees with medical, dental, and prescription insurance, respectively, through a self-insurance program. The self-insurance fund pays covered claims to these providers and recovers these costs through premium charges to the various county funds whose employees participate in the County's self-insurance program. Claim charges are approved by the claims administrator. The County maintains self-insurance internal service funds to account for and finance its uninsured risks of loss for this program.

A comparison of the self-insurance fund cash and investments to the actuarially measured liability as of December 31, 2023, most recent information available, follows:

| | 2023 | 2022 |
|-----------------------|--------------|--------------|
| Cash and Investments | \$ 6,376,509 | \$ 7,008,401 |
| Actuarial liabilities | \$ 971,000 | \$ 674,000 |

The County participates in the workers' compensation program provided by the state of Ohio. Beginning in 2017, the County began participating in the County Commissioners Association of Ohio (CCAO) Workers' Compensation Group Retrospective Rating Program (Program), an insurance purchasing pool. The County continues to pay its own individual premiums and has the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending on that performance, the participating employers can receive either a premium refund or an assessment. For the 2023 program year, the County's evaluation periods will be 12/31/24, 12/31/25, and 12/31/26. Refunds or assessments will be calculated by the Ohio BWC, based on the pro-rata share of the County's individual premium compared to the overall Program premium. Participation in the Group Retrospective Rating Plan is limited to counties that can meet the Program's selection criteria. The firm of Sedgwick provides administrative, cost control and actuarial services to the program.

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability

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.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

The net pension/OPEB liability 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 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. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The 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 9 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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

| Group A | Group B | Group C |
|--|--|--|
| 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 |
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |
| Law Enforcement | Law Enforcement | Law Enforcement |
| Age and Service Requirements: Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit |

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

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

When a benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. 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.

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

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

| | State and Local | Law Enforcement |
|--|--------------------|--------------------|
| 2023 Statutory Maximum Contribution Rates | | |
| Employer | 14.0 % | 18.1 % |
| Employee | 10.0 % | ** |
| 2023 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 14.0 % | 18.1 % |
| Post-employment Health Care Benefits | 0.0 | 0.0 |
| Total Employer | <u>14.0 %</u> | <u>18.1 %</u> |
| Employee | <u>10.0 %</u> | <u>13.0 %</u> |

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$2,680,024 for 2023.

Pension Liability

The net pension liability for OPERS was measured as of December 31, 2022, and the net pension liability for STRS was measured as of June 30, 2022 (the latest information available). The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the respective measurement dates. 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:

| | <u>OPERS</u> |
|---|-------------------|
| Proportion of the Net Pension Liability: | |
| Current Measurement Period | 0.116244% |
| Prior Measurement Period | <u>0.121117%</u> |
| Change in Proportion | <u>-0.004873%</u> |
| Proportionate Share of the Net Pension Liability | \$ 34,338,528 |

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

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

| <u>OPERS Traditional Plan</u> | |
|---|---|
| Wage Inflation | 2.75 percent |
| Future Salary Increases, including inflation | 2.75 to 10.75 percent including wage inflation |
| COLA or Ad Hoc COLA: | |
| Pre-January 7, 2013 Retirees | 3.00 percent, simple |
| Post-January 7, 2013 Retirees | 3.00 percent, simple through 2023, then 2.05 percent, simple |
| Investment Rate of Return | 6.90 percent |
| Actuarial Cost Method | Individual Entry Age |

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.10 percent for 2022.

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

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability 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 (Asset) | \$ 51,437,970 | \$ 34,338,528 | \$ 20,114,862 |

NOTE 9 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 8 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. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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. Medicare-enrolled retirees may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

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

OPERS offers a health reimbursement arrangement (HRA) allowance to 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 retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

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

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

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

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

Group C 32 years of qualifying service credit and minimum age 55; or
A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

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

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

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

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

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

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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

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

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

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members. 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County had no contractually required contribution for 2023.

Net OPEB Liability

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

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

| | OPERS |
|--|-------------------|
| Proportion of the Net OPEB Liability: | |
| Current Measurement Period | 0.112145% |
| Prior Measurement Period | <u>0.115984%</u> |
| Change in Proportion | <u>-0.003839%</u> |
| Proportionate Share of the Net OPEB Liability | \$ 707,096 |

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| | <u>December 31, 2022</u> | <u>December 31, 2021</u> |
|-----------------------------|---|---|
| Wage Inflation | 2.75 percent | 2.75 percent |
| Projected Salary Increases, | 2.75 to 10.75 percent including wage inflation | 2.75 to 10.75 percent including wage inflation |
| Single Discount Rate | 5.22 percent | 6.00 percent |
| Investment Rate of Return | 6.00 percent | 6.00 percent |
| Municipal Bond Rate | 4.05 percent | 1.84 percent |
| Health Care Cost Trend Rate | 5.50 percent, initial 3.50 percent, ultimate in 2036 | 5.50 percent, initial 3.50 percent, ultimate in 2034 |
| 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.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

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

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future 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 rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Geometric) |
|------------------------------|-------------------|---|
| Fixed Income | 34.00% | 2.56% |
| Domestic Equities | 26.00 | 4.60 |
| Real Estate Investment Trust | 7.00 | 4.70 |
| International Equities | 25.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other Investments | 6.00 | 1.84 |
| Total | <u>100.00%</u> | |

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

Guernsey County, Ohio

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|--------------|--------------------------|--------------|
| County's Proportionate Share of the Net OPEB Liability (Asset) | \$ 2,406,632 | \$ 707,096 | \$ (695,299) |

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 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 that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

| | 1% Decrease | Current Trend Rate | 1% Increase |
|---|-------------|-----------------------|-------------|
| County's Proportionate Share of the Net OPEB Liability (Asset) | \$ 662,777 | \$ 707,096 | \$ 756,979 |

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Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

NOTE 10 - DEBT

The County's debt activity for the year ended December 31, 2023 was as follows:

| | Outstanding 1/1/2023 | Additions | Reductions | Outstanding 12/31/2023 | Amounts Due Within One Year |
|--|----------------------------|--------------------|------------------------------|----------------------------|-----------------------------------|
| Governmental Activities: | | | | | |
| <i>Direct Placements:</i> | | | | | |
| Stop Nine Sanitary Sewer-1993, \$559,200, 5% | \$ 28,800 | \$ - | \$ (2,000) | \$ 26,800 | \$ 2,200 |
| State Route 313 Sewer-2006, \$200,000, 4.20-5.25% | 60,000 | - | (15,000) | 45,000 | 15,000 |
| Guernsey County Secondary Road Improvement Bonds - Series 2020 | <u>2,049,948</u> | <u>-</u> | <u>(807,711)</u> | <u>1,242,237</u> | <u>824,014</u> |
| <i>Total Direct Placements</i> | <u>2,138,748</u> | <u>-</u> | <u>(824,711)</u> | <u>1,314,037</u> | <u>841,214</u> |
| <i>General Obligation Bonds:</i> | | | | | |
| Ohio State University Extension Building - Series 2007 | 72,787 | - | (12,955) | 59,832 | 13,711 |
| Various Purpose Refunding and Improvement - Series 2012 | 1,570,000 | - | (495,000) | 1,075,000 | 210,000 |
| Building Improvement Bonds - Series 2014 | 126,816 | - | (8,670) | 118,146 | 8,976 |
| <i>Total General Obligation Bonds</i> | <u>1,769,603</u> | <u>-</u> | <u>(516,625)</u> | <u>1,252,978</u> | <u>232,687</u> |
| <i>Direct Borrowings:</i> | | | | | |
| OPWC Loan - 2007 | 14,643 | - | (2,662) | 11,981 | 2,663 |
| OPWC Loan - 2018 | 154,516 | - | (51,505) | 103,011 | 51,505 |
| OPWC Loan - 2020 | 128,627 | - | (12,863) | 115,764 | 12,863 |
| OPWC Loan - 2022 | 50,876 | - | (11,306) | 39,570 | 11,306 |
| <i>Total Direct Borrowings:</i> | <u>348,662</u> | <u>-</u> | <u>(78,336)</u> | <u>270,326</u> | <u>78,337</u> |
| <i>Total Governmental Activities</i> | <u><u>\$ 4,257,013</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (1,419,672)</u></u> | <u><u>\$ 2,837,341</u></u> | <u><u>\$ 1,152,238</u></u> |
| Business-Type Activities: | | | | | |
| <i>Direct Placements:</i> | | | | | |
| Kimbolton Waterline - 1992, \$142,000, 5.75% | \$ 46,900 | \$ - | \$ (5,200) | \$ 41,700 | \$ 5,500 |
| North Salem Waterline - 1994, \$450,000, 5% | 177,900 | - | (16,500) | 161,400 | 17,400 |
| <i>Total Direct Placements</i> | <u>224,800</u> | <u>-</u> | <u>(21,700)</u> | <u>203,100</u> | <u>22,900</u> |
| <i>General Obligation Bonds:</i> | | | | | |
| Route 40 East Waterline - 2008, \$2,839,000, 4.42% | 1,678,568 | - | (108,738) | 1,569,830 | 113,598 |
| <i>Direct Borrowings:</i> | | | | | |
| Water Fund OWDA - 2006, \$288,657, 2% | 67,267 | - | (16,318) | 50,949 | 16,646 |
| Water Fund OWDA - 2009, \$69,134, 2% | 23,710 | - | (3,188) | 20,522 | 3,252 |
| Water Fund OWDA - 2010, \$112,010, 3.27% | 44,914 | - | (4,998) | 39,916 | 5,163 |
| Sewer Fund OWDA - 2015, \$1,354,297 .56% | 854,176 | - | (63,523) | 790,653 | 63,880 |
| Sewer Fund OWDA - 2011, \$1,363,953, 1% | 932,227 | - | (43,524) | 888,703 | 43,961 |
| Sewer Fund OWDA - 2021, \$3,004,604 .75% | 2,913,267 | - | (92,047) | 2,821,220 | 92,739 |
| Sewer Fund OPWC - 2015 | 337,499 | - | (25,000) | 312,499 | 25,000 |
| Sewer Fund OPWC - 2015 | 324,999 | - | (25,000) | 299,999 | 25,000 |
| <i>Total Direct Borrowings</i> | <u>5,498,059</u> | <u>-</u> | <u>(273,598)</u> | <u>5,224,461</u> | <u>275,641</u> |
| <i>Total Business-Type Activities</i> | <u><u>\$ 7,401,427</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (404,036)</u></u> | <u><u>\$ 6,997,391</u></u> | <u><u>\$ 412,139</u></u> |

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

Governmental Activities:

Special Assessment Bonds –Special assessment bonded debt outstanding is being repaid from the Special Assessment Bond Retirement Fund with proceeds of special assessments levied against benefited property owners. In the event the property owners do not pay their assessments, the County would be responsible for the debt service payment. Principal and interest requirements to retire the special assessment bonds outstanding at December 31, 2023 are as follows:

| Year Ending December 31, | Principal | Interest | Total |
|-----------------------------|-------------------------|-------------------------|-------------------------|
| 2024 | \$ 17,200 | \$ 3,702 | \$ 20,902 |
| 2025 | 17,200 | 2,806 | 20,006 |
| 2026 | 17,400 | 1,908 | 19,308 |
| 2027 | 2,400 | 1,000 | 3,400 |
| 2028 | 2,600 | 880 | 3,480 |
| 2029-2033 | <u>15,000</u> | <u>2,330</u> | <u>17,330</u> |
| | <u><u>\$ 71,800</u></u> | <u><u>\$ 12,626</u></u> | <u><u>\$ 84,426</u></u> |

General Obligation Bonds –General obligation bonded debt outstanding is being retired by the Bond Retirement Fund. The following bonds are backed by the full faith and credit of the County, therefore, there is no provision of default disclosed in the debt agreements.

On October 29, 2007, the County issued bonds in the amount of \$200,000. The bonds were issued for the purpose of constructing an office building for the Ohio State University Extension Services. The bonds were issued for a 20 year period at a 5.75 percent interest rate.

On September 5, 2012, the County entered into \$5,670,000 of various purpose refunding general obligation bonds that consisted of serial bonds with an interest rate of 2.20 percent. At the date of refunding, \$5,609,331 (after issuance costs) was received to pay off old debt. As a result, \$5,250,000 of the 2003 Series Bonds are considered to be defeased and the liability for those bonds were removed from the financial statements.

On September 15, 2014, the County issued bonds in the amount of \$185,000. The bonds were issued for the purpose of constructing an office building for the Guernsey Soil and Water Conservation District. The bonds were issued for a twenty year period at a 3.50 percent interest rate.

On June 10, 2020, the County issued bonds in the amount of \$4,000,000. The bonds were issued for the purpose of improving secondary roads throughout the County. The bonds were issued for a five year period at a 2.00 percent interest rate.

The bonds are being retired from property and sales tax revenues.

Principal and interest requirements to retire the general obligation bonds outstanding at December 31, 2023 are as follows:

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

| <u>Year Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------|---------------------|-------------------|---------------------|
| <u>December 31,</u> | | | |
| 2024 | \$ 1,056,701 | \$ 51,895 | \$ 1,108,596 |
| 2025 | 652,026 | 29,525 | 681,551 |
| 2026 | 239,977 | 19,532 | 259,509 |
| 2027 | 241,213 | 13,565 | 254,778 |
| 2028 | 235,312 | 7,670 | 242,982 |
| 2029-2033 | 57,288 | 7,875 | 65,163 |
| 2034 | 12,698 | 333 | 13,031 |
| | <u>\$ 2,495,215</u> | <u>\$ 130,395</u> | <u>\$ 2,625,610</u> |

Direct Borrowings

Ohio Public Works Commission (OPWC) Loans - The County entered into Ohio Public Works Commission loans for various road paving projects within the County which will be repaid from the Motor Vehicle and Gasoline Tax Fund. The 2007, 2018, 2020, and 2022 loans were issued for \$53,257, \$360,533, \$154,353, and \$56,529, 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.

Principal requirements to retire the OPWC loans outstanding at December 31, 2023 are as follows:

| <u>OPWC</u> | | |
|---------------------|-------------------|--|
| <u>Year Ending</u> | <u>Principal</u> | |
| <u>December 31,</u> | | |
| 2024 | \$ 78,337 | |
| 2025 | 78,336 | |
| 2026 | 26,832 | |
| 2027 | 21,178 | |
| 2028 | 14,193 | |
| 2029-2032 | <u>51,450</u> | |
| | <u>\$ 270,326</u> | |

The County has pledged future customer revenues, net of specified operating expenses, to repay \$270,326 in OPWC loans issued from 2007 to 2022. Proceeds from these loans provided financing for various projects. The loans are payable solely from net revenues and are payable through 2033. Net revenues include all revenues received by the motor vehicle and gas tax fund less all expenses. Annual principal payments, as a percentage of net revenues, on the loans are expected to be similar over the term of the loans as in the current year, which were 14.8 percent. The total principal remaining to be paid on the loans is \$270,325. Principal paid for the current year and total net revenues were \$78,337 and \$528,330, respectively.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

Business-Type Activities:

Special Assessment Bonds – The special assessment bond was issued to construct lines associated with the County water system. Special assessment bonded debt outstanding is being repaid from the Water Fund with proceeds of special assessments levied against benefited property owners. In the event the property owners do not pay their assessments, the County would be responsible for the debt service payment. Principal requirements to retire the special assessment bonds outstanding at December 31, 2023 are as follows:

| Year Ending December 31, | Principal | Interest | Total |
|-----------------------------|--------------------------|-------------------------|--------------------------|
| 2024 | \$ 22,900 | \$ 13,175 | \$ 36,075 |
| 2025 | 24,000 | 11,989 | 35,989 |
| 2026 | 25,300 | 10,746 | 36,046 |
| 2027 | 26,600 | 9,434 | 36,034 |
| 2028 | 28,000 | 8,055 | 36,055 |
| 2029-2031 | <u>76,300</u> | <u>14,178</u> | <u>90,478</u> |
| | <u><u>\$ 203,100</u></u> | <u><u>\$ 67,577</u></u> | <u><u>\$ 270,677</u></u> |

General Obligation Bonds – The general obligation bonds were issued to construct lines and a building associated with the County water system. These bonds will be repaid from revenues derived by the County from the operation of the water system. These bonds are backed by the full faith and credit of the County, therefore, there is no provision of default disclosed in the debt agreements.

Principal requirements to retire the general obligation bonds outstanding at December 31, 2023 are as follows:

| Year Ending December 31, | Principal | Interest | Total |
|-----------------------------|----------------------------|--------------------------|----------------------------|
| 2024 | \$ 113,598 | \$ 70,694 | \$ 184,292 |
| 2025 | 118,675 | 65,617 | 184,292 |
| 2026 | 123,979 | 60,313 | 184,292 |
| 2027 | 129,520 | 54,772 | 184,292 |
| 2028 | 135,309 | 48,983 | 184,292 |
| 2029-2033 | <u>772,850</u> | <u>148,610</u> | <u>921,460</u> |
| 2034 | <u>175,899</u> | <u>8,394</u> | <u>184,293</u> |
| | <u><u>\$ 1,569,830</u></u> | <u><u>\$ 457,383</u></u> | <u><u>\$ 2,027,213</u></u> |

Direct Borrowings

Ohio Water Development Authority (OWDA) Loans - In 2006, the County entered into an OWDA loan for the purpose of updating the Guernsey County eastern water system.

The County entered into an OWDA loan in 2009 for the state route 313 waterline extension project.

The County entered into an OWDA loan in 2010 for the purpose of waterline construction.

The County entered into an OWDA loan in 2011 for the Buffalo/Derwent sewer construction project.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

The County entered into an OWDA loan in 2015 for the Coventry Estates and Beech Meadows waste water treatment plants project.

The County entered into an OWDA loan in 2021 to refinance the United States Department of Agriculture loan for the Buffalo/Derwent sewer construction project.

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.

Ohio Public Works Commission (OPWC) Loans – In 2015 the County entered into two loans with OPWC for the improvements at Coventry Estates and Beech Meadows waste water treatment plants. Both interest free loans are for \$499,999 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, 2023 are as follows:

| Year Ending December 31, | OWDA | | | OPWC |
|-----------------------------|---------------------|-------------------|---------------------|-------------------|
| | Principal | Interest | Total | Principal |
| 2024 | \$ 225,641 | \$ 36,696 | \$ 262,337 | \$ 50,000 |
| 2025 | 227,706 | 25,629 | 253,335 | 50,000 |
| 2026 | 229,799 | 32,538 | 262,337 | 50,000 |
| 2027 | 214,245 | 30,508 | 244,753 | 50,000 |
| 2028 | 216,033 | 28,721 | 244,754 | 50,000 |
| 2029-2033 | 1,072,491 | 117,415 | 1,189,906 | 250,000 |
| 2034-2038 | 890,569 | 72,379 | 962,948 | 112,498 |
| 2039-2043 | 707,598 | 45,595 | 753,193 | - |
| 2044-2048 | 546,739 | 21,883 | 568,622 | - |
| 2049-2051 | 281,142 | 3,170 | 284,312 | - |
| | <u>\$ 4,611,963</u> | <u>\$ 414,534</u> | <u>\$ 5,026,497</u> | <u>\$ 612,498</u> |

The County has pledged future customer revenues, net of specified operating expenses, to repay \$5,224,461 in OWDA and OPWC loans issued from 2006 to 2021. 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 2051. Net revenues include all revenues received by the water and sewer utilities 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 31.06 percent. The total principal and interest remaining to be paid on the loans is \$5,638,995. Principal and interest paid for the current year and total net revenues were \$312,336 and \$1,008,418, respectively.

The Ohio Revised Code provides that net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 1 percent of the total assessed valuation of the County. The Ohio Revised Code further provides that total voted and un-voted net debt of the County less the same exempt debt shall never exceed a sum equal to 3 percent of the first \$100,000,000 of assessed valuation, plus 1.5 percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus 2.5 percent of such valuation in excess of \$300,000,000.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

NOTE 11 – INTERFUND ACTIVITY

A. Interfund Transfers

During 2023 the following transfers were made:

| Transfer To | Transfers From | | | Total |
|--------------------|-------------------|-------------------|-------------------|---------------------|
| | General | Governmental | Water | |
| General | \$ - | \$ 8,288 | \$ - | \$ 8,288 |
| Public Assistance | 69,607 | - | - | 69,607 |
| Other Governmental | 406,254 | 744,643 | 232,935 | 1,383,832 |
| <i>Total</i> | <u>\$ 475,861</u> | <u>\$ 752,931</u> | <u>\$ 232,935</u> | <u>\$ 1,461,727</u> |

Transfers were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; to move monies to the General Fund as pursuant to Ohio Revised Code 325.33; to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Motor Vehicle & Gas Tax Fund, Road Preservation and Improvement fund, and the Water Fund transferred \$737,715, \$1,928, and \$232,935 respectively, to the non-major debt service funds for debt payments. Through a court order, the Court Fund transferred \$8,288 to the General Fund for wages and expenses related to courthouse security, training, and case preparation. Through a court order, the Community Based Correction Program Grant Fund transferred \$5,000 to the Common Pleas JAG Grant Fund to provide funding for the Community Corrections Act (CCA) 2.0 Grant. All other transfers were made from the General Fund to various other funds to provide additional resources for current operations.

B. Interfund Advances

During 2023, through a court order, the Court Fund advanced \$5,000 to the VOCA Grant Fund. This advance was repaid during the current year.

NOTE 12 – COMMITMENTS

A. Encumbrance 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 for encumbrances in the governmental funds were as follows:

| Fund | Amount |
|-------------------------------------|----------------------------|
| General | \$ 297,345 |
| Public Assistance | 308,302 |
| Children's Services | 508,840 |
| Board of Developmental Disabilities | 235,255 |
| Other Governmental Funds | 573,210 |
| Totals | <u>\$ 1,922,952</u> |

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

B. Contractual Commitments

At December 31, 2023, the County had contractual commitments for the following projects:

| | Contractual Commitment | Expended | Balance 12/31/2023 |
|--------------------------------------|----------------------------|--------------------------|----------------------------|
| Slip Repair | \$ 849,810 | \$ 784,584 | \$ 65,226 |
| Geotech Engineering Services GV Slip | 37,000 | 23,800 | 13,200 |
| GUE VAR | 1,299,741 | - | 1,299,741 |
| SR313 Watermain Replacement | 300,000 | 128,266 | 171,734 |
| Totals | <u>\$ 2,486,551</u> | <u>\$ 936,650</u> | <u>\$ 1,549,901</u> |

Contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note. Reasons for this may include timing of when contracts are encumbered and contracts paid from enterprise funds, which are not required to disclose encumbrance commitments.

NOTE 13 – 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.

Any pending claims and/or lawsuits against the County, based on information provided by the County's legal counsel, should not have a material effect on the financial statements.

NOTE 14 – 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 asset/fund balances, and disclosures that, while material, cannot be determined at this time. In addition, component units, the Guernsey County Port Authority and the Guernsey County Land Bank, were excluded from this presentation. The County can be fined and various other administrative remedies may be taken against the County.

NOTE 15 – TAX ABATEMENTS

The County has entered into tax abatement agreements in order to retain or attract new industry, preserve or increase employment and revitalize the local economy. These tax abatements also affect the County's revenue stream, as they mean that the County is foregoing or reducing tax revenue it is otherwise entitled to collect. All agreements are in effect prior to the reduction of taxes and are granted for the purpose of economic assistance or development. As of December 31, 2023, the County provides nine tax abatements through one program—the Community Reinvestment Area Program and the Enterprise Zone Program.

Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

The Community Reinvestment Area Program (CRA) is a direct incentive tax exemption program benefiting property owners who renovate existing structures or construct new buildings. This program allows the County to designate areas where revitalization is encouraged. Guernsey County's CRA program has supported the development of commercial and industrial projects by exempting real property from tax, under the guidelines of the Ohio Development Services Agency. These abatements are operated under post-1994 CRA authorizing legislation. The County grants tax abatements of up to 100 percent of the property tax bill.

Guernsey County presents abatements singly when they meet or exceed the qualitative threshold established by the County, i.e. 10 percent of the total tax abated for the reporting period. All of the real estate property taxes are abated by the mechanism of reduction of assessed values.

The total real estate property tax revenue of Guernsey County is reduced in 2023 by \$347,224 as a result of tax abatements. Therefore, individual abatements equal to or greater than 10 percent or \$34,722 are disclosed individually. All other abatements are grouped and reported by type and by government agreeing to the abatement.

Individual Abatements Granted by Guernsey County Exceeding the 10 Percent Threshold

| Industry or Business | Government | | Type of Abatement | Amount of Taxes Abated during 2023 |
|---------------------------------|------------|-----------|-------------------|------------------------------------|
| | Granting | Abatement | | |
| AFC Cable | County | CRA | \$ | 56,449 |
| AMG Vanadium (Raw Material) | County | CRA | | 101,767 |
| AMG Vanadium (Storage Building) | County | CRA | | 44,512 |
| Faifield Inn | County | CRA | | 51,296 |
| DK Eubanks/Plastic Comp. | City | CRA | | 42,115 |
| Total | | | \$ | <u>296,139</u> |

Other Guernsey County Tax Abatements in Aggregate

Two other abatements were granted by the County; both were industrial entities. As a result, real estate property tax revenues were reduced by \$24,186 in 2023. Both of the agreements were made under the Community Reinvestment Area Program. The length of reduction in tax payments is fifteen years, with exemptions of 100 percent.

City of Cambridge Tax Abatements in Aggregate

Under the two agreements granted by the City of Cambridge, 2023 County real estate property tax revenues were decreased by \$26,899. All abatements were agreed to under the Community Reinvestment Area Program. The length of reduction in tax payments ranges from six to fifteen years, allowing exemptions of 50 to 80 percent. Both are commercial entities.

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Guernsey County, Ohio
Notes to the Cash Financial Statements
For the Year Ended December 31, 2023

NOTE 16 – FUND BALANCES

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 | Public Assistance | Board of Developmental Disabilities | Children's Services | Other Governmental Funds | Total |
|---------------------------|----------------------|-------------------|-------------------------------------|---------------------|--------------------------|----------------------|
| Nonspendable for: | | | | | | |
| Unclaimed Monies | \$ 214,010 | \$ - | \$ - | \$ - | \$ - | \$ 214,010 |
| Children Services | - | - | - | - | 20,000 | 20,000 |
| Total Nonspendable | 214,010 | - | - | - | 20,000 | 234,010 |
| Restricted for: | | | | | | |
| Debt Service | - | - | - | - | 111,556 | 111,556 |
| Capital Outlay | - | - | - | - | 3,554,923 | 3,554,923 |
| Public Works | - | - | - | - | 2,471,696 | 2,471,696 |
| Human Services | - | 647,926 | - | - | - | 647,926 |
| Children Services | - | - | - | 2,134,427 | 1,980,143 | 4,114,570 |
| Health Services | - | - | 8,318,370 | - | - | 8,318,370 |
| Other Purposes | - | - | - | - | 10,245,247 | 10,245,247 |
| Total Restricted | - | 647,926 | 8,318,370 | 2,134,427 | 18,363,565 | 29,464,288 |
| Committed for: | | | | | | |
| Capital Outlay | - | - | - | - | 13,639 | 13,639 |
| Severance Payments | 215,000 | - | - | - | - | 215,000 |
| Total Committed | 215,000 | - | - | - | 13,639 | 228,639 |
| Assigned for: | | | | | | |
| Encumbrances: | | | | | | |
| Legislative and Executive | 132,180 | - | - | - | - | 132,180 |
| Judicial | 42,119 | - | - | - | - | 42,119 |
| Health | 10,000 | - | - | - | - | 10,000 |
| Public Safety | 87,216 | - | - | - | - | 87,216 |
| Human Services | 10,558 | - | - | - | - | 10,558 |
| Capital Outlay | 15,272 | - | - | - | - | 15,272 |
| Subsequent Appropriations | 2,447,663 | - | - | - | - | 2,447,663 |
| Total Assigned | 2,745,008 | - | - | - | - | 2,745,008 |
| Unassigned | 18,933,082 | - | - | - | - | 18,933,082 |
| Total Fund Balance | \$ 22,107,100 | \$ 647,926 | \$ 8,318,370 | \$ 2,134,427 | \$ 18,397,204 | \$ 51,605,027 |

NOTE 17 – SUBSEQUENT EVENTS

On September 10, 2024, the County was awarded a grant for \$1,000,000 through the One Time Strategic Community Investment program for East Route 40 Sanitary Sewer Improvements. On October 3, 2024, the County was awarded a grant for \$1,000,000 through the H2Ohio Standard Grant Agreement with the Ohio Environmental Protection Agency (EPA) for the Route 40 Sewer Extensions Project. Contracts have not yet been entered in to for these projects.

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GUERNSEY COUNTY

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

| FEDERAL GRANTOR Pass Through Grantor Program/Cluster Title | Pass Through Entity Identifying Number | Federal AL Number | Provided Through to Subrecipients | Total Federal Expenditures |
|---|--|-------------------------|---|-------------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| <i>Passed Through Ohio Department of Job and Family Services</i> | | | | |
| SNAP Cluster: | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | G-2223-11-6931/G-2425-11-6140 | 10.561 | \$0 | \$461,859 |
| Total SNAP Cluster | | | 0 | 461,859 |
| Total U.S. Department of Agriculture | | | 0 | 461,859 |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | |
| <i>Passed Through Ohio Department of Development</i> | | | | |
| Community Development Block Grants - State's Programs | B-F-22-1BB-1 | 14.228 | 0 | 185,038 |
| Total Community Development Block Grants - State's Programs | | | 0 | 185,038 |
| Total U.S. Department of Housing and Urban Development | | | 0 | 185,038 |
| U.S. DEPARTMENT OF JUSTICE | | | | |
| <i>Passed Through Ohio Office of Criminal Justice Services</i> | | | | |
| Crime Victims Assistance Program | 2023-VOCA-135108655 & 2024-VOCA-135504548 | 16.575 | 0 | 28,830 |
| Crime Victims Assistance Program | 2023-VOCA-135108674 & 2024-VOCA-135504566 | 16.575 | 0 | 45,686 |
| Total Crime Victims Assistance Program | | | 0 | 74,516 |
| Total U.S. Department of Justice | | | 0 | 74,516 |
| U.S. DEPARTMENT OF LABOR | | | | |
| <i>Passed Through Workforce Investment Act Area 7</i> | | | | |
| Employment Service Cluster | | | | |
| Employment Service/Wagner-Peyser Funded Activities | 2020/21-7230-1 | 17.207 | 0 | 4,385 |
| Total Employment Service Cluster | | | | 4,385 |
| Unemployment Insurance RESEA Program | 2020/21-7230-1 | 17.225 | 0 | 33,364 |
| Trade Adjustment Assistance | 2020/21-7230-1 | 17.245 | 0 | 699 |
| WIOA Cluster: | | | | |
| WIOA Adult Program | 2020/21-7230-1 | 17.258 | 0 | 101,271 |
| WIOA Youth Program | 2020/21-7230-1 | 17.259 | 93,219 | 133,966 |
| WIOA Dislocated Worker Formula Grants | 2020/21-7230-1 | 17.278 | 0 | 50,091 |
| Total WIOA Cluster | | | 93,219 | 285,328 |
| WIA National Emergency Grants | 2020/21-7230-1 | 17.277 | 0 | 28,488 |
| Total U.S. Department of Labor | | | 93,219 | 352,264 |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | |
| <i>Passed Through Ohio Department of Transportation</i> | | | | |
| Highway Planning and Construction | | | | |
| GUE CR Var PM RPM FY2021 | PID 111285 | 20.205 | 0 | 72,311 |
| STW 2023 CEAO Safety Studies | PID 117252 | 20.205 | 0 | 10,665 |
| Total Highway Planning and Construction | | | 0 | 82,976 |
| <i>Passed Through Ohio Emergency Management Agency</i> | | | | |
| Hazardous Materials Emergency Preparedness Grant | 693JK32240034HMEP | 20.703 | 0 | 10,368 |
| Hazardous Materials Emergency Preparedness Grant | 693JK31940044HMEP | 20.703 | 0 | 4,760 |
| Total Hazardous Materials Emergency Preparedness Grant | | | | 15,128 |
| Total U.S. Department of Transportation | | | 0 | 98,104 |
| U.S. DEPARTMENT OF TREASURY | | | | |
| <i>COVID-19 Coronavirus State and Local Fiscal Recovery Funds</i> | | | | |
| COVID-19 Corona. State/Local Fisc. Rec. Fds (ARPA) - Medicaid Unwinding | N/A | 21.027 | 0 | 1,304,982 |
| <i>Passed through Ohio Department of Job and Family Services</i> | | | | |
| COVID-19 Law Enforcement Violence Reduction and Staffing Grant | G-2223-11-6931/G-2425-11-6140 | 21.027 | 0 | 147,988 |
| <i>Passed through Ohio Department of Criminal Justice Services</i> | | | | |
| COVID-19 Law Enforcement Violence Reduction and Staffing Grant | 2022-AR-LEP-1081 | 21.027 | 0 | 329,786 |
| Total U.S. Department of Treasury | | | 0 | 1,782,756 |
| U.S. DEPARTMENT OF EDUCATION | | | | |
| <i>Passed Through Ohio Department of Developmental Disabilities</i> | | | | |
| Special Education - Grants for Infants and Families (Early Intervention Part C) | H181A210024/H181A220024 | 84.181 | 0 | 102,272 |
| COVID-19 Special Education - Grants for Infants and Families - Individuals with Disabilities Act (IDEA/ARP) | H181X210024 | 84.181X | 0 | 14,083 |
| Total U.S. Department of Education | | | 0 | 116,355 |

GUERNSEY COUNTY

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

| FEDERAL GRANTOR Pass Through Grantor Program/Cluster Title | Pass Through Entity Identifying Number | Federal AL Number | Provided Through to Subrecipients | Total Federal Expenditures |
|---|---|----------------------------------|--|---------------------------------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| <i>Passed Through Ohio Department of Job and Family Services</i> | | | | |
| Promoting Safe and Stable Families | G-2223-11-6931/G-2425-11-6140 | 93.556 | 25,219 | 25,219 |
| Promoting Safe and Stable Families | G-2223-11-6932/G-2425-11-6141 | 93.556 | 0 | 45,623 |
| Total Promoting Safe and Stable Families | | | 25,219 | 70,842 |
| <i>Passed Through Ohio Department of Developmental Disabilities</i> | | | | |
| Social Services Block Grant | 2301OHSOSR | 93.667 | 0 | 29,802 |
| <i>Passed Through Ohio Department of Job and Family Services</i> | | | | |
| Social Services Block Grant | G-2223-11-6932/G-2425-11-6141 | 93.667 | 0 | 2,730 |
| Social Services Block Grant | G-2223-11-6931/G-2425-11-6140 | 93.667 | 0 | 302,793 |
| Total Social Services Block Grant | | | 0 | 335,325 |
| Medicaid Cluster: | | | | |
| <i>Passed Through Ohio Department of Job and Family Services</i> | | | | |
| Medical Assistance Program | G-2223-11-6932/G-2425-11-6141 | 93.778 | 0 | 6,822 |
| Medical Assistance Program | G-2223-11-6931/G-2425-11-6140 | 93.778 | 0 | 1,083,033 |
| Total Medicaid Cluster | | | 0 | 1,089,855 |
| Temporary Assistance for Needy Families | G-2223-11-6932/G-2425-11-6141 | 93.558 | 0 | 170 |
| Total Temporary Assistance for Needy Families | G-2223-11-6931/G-2425-11-6140 | 93.558 | 184,982 | 1,972,819 |
| Child Support Enforcement | G-2223-11-6931/G-2425-11-6140 | 93.563 | 0 | 1,020,267 |
| Child Care and Development Fund (CCDF) Cluster | G-2223-11-6931/G-2425-11-6140 | 93.575 | 0 | 108,408 |
| Child Care and Development Block Grant | | | 0 | 108,408 |
| Total Child Care and Development Fund (CCDF) Cluster | | | | |
| Stephanie Tubbs Jones Child Welfare Services Program | G-2223-11-6931/G-2425-11-6140 | 93.645 | 2,943 | 2,943 |
| Total Stephanie Tubbs Jones Child Welfare Services Program | G-2223-11-6932/G-2425-11-6141 | 93.645 | 0 | 117,775 |
| Foster Care Title IV-E | G-2223-11-6932/G-2425-11-6141 | 93.658 | 0 | 2,200,701 |
| Total Foster Care Title IV-E | G-2223-06-0197 | 93.658 | 0 | 16,070 |
| | | | 0 | 2,216,771 |
| Adoption Assistance | G-2223-11-6932/G-2425-11-6141 | 93.659 | 0 | 614,834 |
| Chafee Foster Care Independence Program | G-2223-11-6932/G-2425-11-6141 | 93.674 | 0 | 30,546 |
| Elder Abuse Prevention Intervention Program | G-2223-11-6931/G-2425-11-6140 | 93.747 | 0 | 17,545 |
| Total U.S. Department of Health and Human Services | | | 213,144 | 7,598,100 |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | | |
| <i>Passed Through Ohio Emergency Management Agency</i> | | | | |
| Disaster Grants Public Assistance Grant Program | FEMA-DR-4424-OH | 97.036 | 0 | 477,554 |
| Emergency Management Performance Grants | EMC-2022-EP-00006 | 97.042 | 0 | 73,996 |
| Total U.S. Department of Homeland Security | | | 0 | 551,550 |
| Total Expenditures of Federal Awards | | | \$306,363 | \$11,220,542 |

The accompanying notes are an integral part of this Schedule.

GUERNSEY COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 2 CFR 200.510(b)(6) FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – BASIS OF PRESENTATION

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

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

As a pass-through entity, the County has certain compliance responsibilities, such as monitoring its sub-recipients to help assure they use these sub-awards as authorized laws, regulations and the provision of contract or grant agreements and the sub-recipients achieve the award's performance goals.

NOTE E - 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 F – TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2023, the County made allowable transfers of \$127,747 from the Social Services Block Grant (SSBG) (AL #93.667) program to the Temporary Assistance for Needy Families (TANF) (AL #93.558) program. The Schedule shows the County spent approximately \$463,073 on the SSBG program. The amount reported for the SSBG program on the Schedule is the amount transferred to the TANF program. The amount transferred to the TANF program is included as TANF expenditures when disbursed. The following table shows the gross amount drawn for the SSBG program during fiscal year 2023 and the amount transferred to the TANF program.

| | |
|---|-------------------|
| Social Services Block Grant | \$ 463,073 |
| Transfer to Temporary Assistance for Needy Families | <u>(127,747)</u> |
| Total Social Services Block Grant | <u>\$ 335,326</u> |

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Columbus, Ohio 43215
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Guernsey County
627 Wheeling Avenue
Cambridge, Ohio 43725

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Guernsey County, Ohio (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 5, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Guernsey 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 2023-001.

County's Response to Finding

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
Auditor of State
Columbus, Ohio

February 5, 2025

OHIO AUDITOR OF STATE KEITH FABER



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

Guernsey County
627 Wheeling Avenue
Cambridge, Ohio 43725

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Guernsey County's (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 Guernsey County's major federal programs for the year ended December 31, 2023. Guernsey County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Guernsey County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

Guernsey 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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

February 5, 2025

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GUERNSEY COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|--------------|--|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unmodified |
| (d)(1)(ii) | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | Yes |
| (d)(1)(iv) | Were there any material weaknesses in internal control reported for major federal programs? | No |
| (d)(1)(iv) | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unmodified |
| (d)(1)(vi) | Are there any reportable findings under 2 CFR § 200.516(a)? | No |
| (d)(1)(vii) | Major Programs (list): <ul style="list-style-type: none">COVID-19 Coronavirus State and Local Fiscal Recovery Funds, AL #21.027Child Support Enforcement, AL #93.563Foster Care Title IV-E, AL #93.658Adoption Assistance, AL #93.659 | |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$ 750,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee under 2 CFR § 200.520? | No |

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

FINDING NUMBER 2023-001

Noncompliance

Ohio Rev. Code § 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.

GUERNSEY COUNTY

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

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

FINDING NUMBER 2023-001 (Continued)

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. In addition, the County did not include the activity of component units in its annual financial report pursuant to Governmental Accounting Standards Board Codification (GASB) Section 2100. The financial statements and note disclosures of the Guernsey County Port Authority and Guernsey County Land Reutilization Corporation were excluded as they were immaterial and prepared on a different financial reporting framework than the County.

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

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Guernsey County Auditor

CORY JOHNSON

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**GUERNSEY COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
December 31, 2023**

| Finding Number | Finding Summary | Status | Additional Information |
|----------------|--|---------------|---|
| 2022-001 | A noncompliance citation for not filing the annual report in accordance with generally accepted accounting principles. Finding initially occurred in 2004. | Not Corrected | Reissued in current year as Finding 2023-001. See Corrective Action Plan. |
| 2022-002 | A noncompliance and material weakness citation related to RMS reporting procedures for federal programs at GCCS. | Corrected | |



Guernsey County Auditor

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**GUERNSEY COUNTY
CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2023**

Finding Number:

2023-001

Planned Corrective Action:

County will continue to monitor the benefit compared to the cost
of filing on a GAAP Basis.

Anticipated Completion Date:

12/31/25

Responsible Contact Person:

County Auditor, Cory Johnson

OHIO AUDITOR OF STATE KEITH FABER



GUERNSEY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 2/18/2025

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