

PIKE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023



*Millhuff-Stang*

CERTIFIED PUBLIC ACCOUNTANT

Millhuff-Stang, CPA, Inc.

8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548  
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978

Fax: 888.876.8549

[natalie@millhuffstangcpa.com](mailto:natalie@millhuffstangcpa.com) / [roush@millhuffstangcpa.com](mailto:roush@millhuffstangcpa.com)

[www.millhuffstangcpa.com](http://www.millhuffstangcpa.com)





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

Board of Commissioners  
Pike County  
230 Waverly Plaza, Suite 200  
Waverly, Ohio 45690

We have reviewed the *Independent Auditor's Report* of Pike County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Pike County is responsible for compliance with these laws and regulations.

KEITH FABER  
Ohio Auditor of State

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

October 01, 2025

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**Pike County Financial Condition**  
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*For the Year Ended December 31, 2023*

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## **Independent Auditor's Report**

Board of Commissioners  
Pike County  
230 Waverly Plaza, Suite 200  
Waverly, Ohio 45690

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Pike 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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Motor Vehicle Gas Tax, and Board of Developmental Disabilities funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



***Required Supplementary Information***

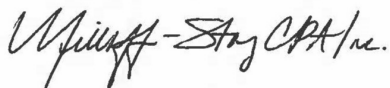
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the County's proportionate share of the net pension and OPEB liabilities (assets), and the schedules of County contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Award as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2025, on our consideration of the County's internal control over financial reporting and on 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.



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

March 7, 2025

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

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The discussion and analysis of Pike County's financial performance provides an overall view of the County's financial activities for the fiscal year ended December 31, 2023. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review notes to the basic financial statements, and the financial statements themselves, to enhance their understanding of the County's financial performance.

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- The County's net position increased \$1,805,367, as a result of this year's operations. Net position of our business-type activities decreased \$608,164, and net position of our governmental activities increased \$2,413,531.
- General revenues for governmental activities accounted for \$15,479,626 in revenue or 36.9 percent of all revenues. Program specific revenues for governmental activities in the form of charges for services and sales, grants, contributions, and interest accounted for \$26,465,168 or 63.1 percent of total revenues of \$41,944,794.
- The County had \$39,531,263 in expenses related to governmental activities; \$26,465,168 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest.

**Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Pike County as a financial whole or as an entire operating entity. The statements then proceed to provide a detailed look at specific financial conditions.

The statement of net position and statement of activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column.

**Reporting the County as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains a large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?"

The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, and deferred outflows and inflows of resources using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position. This change in net position is important because it informs the reader whether, for the County as a whole, the financial position of the County is as strong as it once was. This is the result of many factors, some of which the County can control and some of which it cannot. Non-controllable financial factors include rising insurance costs, workers compensation costs, declining consumption based tax revenues due to the state and federal economic downturn, low rates of return on investments, revenue cuts, and the restriction of revenue growth due to the political culture at the state and national levels. In

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*Management's Discussion and Analysis*  
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addition, unfunded mandated programs are still problematic in all counties as are many other specific causative factors in which local government has little control over.

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

- **Governmental Activities** - Most of the County's programs and services are reported here including public safety, public works, health, human services, economic development and assistance, legislative and executive, and judicial.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Pike County sewer fund is reported as a business-type activity.

The financial activity of the Pike County Land Reutilization Corporation, as a component unit of the County, is presented in a single column on the statement of net position and the statement of activities. While the County provides services and resources to the Pike County Land Reutilization Corporation, this discrete presentation is made in order to emphasize that it is still a legally separate organization from the County. However, focus on the government-wide financial statements clearly remains on the County as the primary government.

### **Reporting the County's Most Significant Funds**

#### Fund Financial Statements

Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the general fund, motor vehicle gasoline tax fund, and board of developmental disabilities fund.

*Governmental Funds* Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance County operations. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

*Proprietary Funds* The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activity in the government-wide financial statements. The County uses an enterprise fund to account for its sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Specifically, the internal service funds account for the health reimbursement account program for employees of the County.

*Fiduciary Funds* These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

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

**The County as a Whole**

**Government-Wide Financial Analysis**

You may recall that the statement of net position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position at December 31, 2023 and 2022:

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
<b>Assets</b>						
Current and Other Assets	\$36,800,078	\$38,382,628	\$8,246,886	\$8,480,085	\$45,046,964	\$46,862,713
Capital Assets, Net	42,571,276	39,839,174	6,258,620	6,508,794	48,829,896	46,347,968
<i>Total Assets</i>	<i>79,371,354</i>	<i>78,221,802</i>	<i>14,505,506</i>	<i>14,988,879</i>	<i>93,876,860</i>	<i>93,210,681</i>
<b>Deferred Outflows</b>	10,207,057	2,609,181	202,459	125,914	10,409,516	2,735,095
<b>Liabilities</b>						
Current and Other Liabilities	1,411,806	3,136,232	10,898	24,310	1,422,704	3,160,542
<i>Long-Term Liabilities</i>						
Due Within One Year	1,425,838	1,481,839	11,410	17,639	1,437,248	1,499,478
Other Amounts Due in More Than One Year	9,928,469	8,726,114	209,790	218,468	10,138,259	8,944,582
Net Pension Liability	21,746,915	6,658,577	371,248	63,605	22,118,163	6,722,182
Net OPET Liability	437,625	0	4,419	0	442,044	0
<i>Total Liabilities</i>	<i>34,950,653</i>	<i>20,002,762</i>	<i>607,765</i>	<i>324,022</i>	<i>35,558,418</i>	<i>20,326,784</i>
<b>Deferred Inflows</b>	6,438,538	15,052,532	13,384	95,791	6,451,922	15,148,323
<b>Net Position</b>						
Net Investment in Capital Assets	32,265,913	29,847,916	6,056,638	6,293,414	38,322,551	36,141,330
Restricted	20,947,179	19,049,836	0	0	20,947,179	19,049,836
Unrestricted (Deficit)	(5,023,872)	(3,122,063)	8,030,178	8,401,566	3,006,306	5,279,503
<i>Total Net Position</i>	<i>\$48,189,220</i>	<i>\$45,775,689</i>	<i>\$14,086,816</i>	<i>\$14,694,980</i>	<i>\$62,276,036</i>	<i>\$60,470,669</i>

\* Amount restated. See note 21 of the notes to the basic financial statements.

The net pension liability (NPL) is one of the largest liabilities reported by the County at December 31, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27". The County also reports a net OPEB liability (asset) pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension and OPEB liabilities to the reported net position and subtracting the net OPEB asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net

**Pike County**  
*Management's Discussion and Analysis*  
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*(Unaudited)*

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pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability (asset) to equal the County's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability, when applicable. As explained above, changes in benefits, contribution rates, and return on investments affect the balances of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability, when applicable, are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

For governmental activities, the decrease in current and other assets is primarily due to a decrease in cash and cash equivalents, which was partially offset by increases in intergovernmental receivable and property taxes receivable. Cash and cash equivalents decreased due to expenditures exceeding revenues during the current year. Intergovernmental receivable increased significantly primarily due to a receivable for Board of Developmental Disabilities, Children Services and OneOhio Opioid Settlement. Capital assets, net increased slightly due to acquisitions in excess of depreciation and disposals. Current and other liabilities for governmental activities decreased primarily due to decreases in accounts and contracts payable. Long-term liabilities in the governmental activities increased due to increases in the net pension and OPEB liabilities, which was partially offset due to

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principal payments on long-term debt. Net OPEB assets, net pension and OPEB liabilities, and deferred outflows and inflows of resources changed between years as a result of changes reported by the retirement systems.

Current and other assets for business-type activities had a decrease in cash and cash equivalents due expenditures exceeding revenues during the current year. Capital assets, net decreased due to depreciation, which was partially offset by additions. Current and other liabilities of business-type activities decreased due to a decrease in accounts payable. Long-term liabilities in the business-type activities increased due to increases in the net pension and OPEB liabilities, which was partially offset by decreases due to principal payments on long-term debt. Net OPEB assets, net pension and OPEB liabilities, and deferred outflows and inflows of resources changed between years as a result of changes reported by the retirement systems.

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

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services and Sales	\$5,775,752	\$5,582,012	\$746,862	\$758,310	\$6,522,614	\$6,340,322
Operating Grants, Contributions, and Interest	18,223,098	20,542,137	0	0	18,223,098	20,542,137
Capital Grants, Contributions, and Interest	2,466,318	1,950,687	0	0	2,466,318	1,950,687
<i>Total Program Revenues</i>	<i>26,465,168</i>	<i>28,074,836</i>	<i>746,862</i>	<i>758,310</i>	<i>27,212,030</i>	<i>28,833,146</i>
<i>General Revenues:</i>						
Property, Sales, and Other Local Taxes and Payments in Lieu of Taxes	12,346,704	11,733,565	0	0	12,346,704	11,733,565
Unrestricted Grants and Entitlements	1,576,723	1,468,927	0	0	1,576,723	1,468,927
Unrestricted Contributions and Donations	5,124	6,275	0	0	5,124	6,275
Investment Earnings	872,018	(392,063)	0	0	872,018	(392,063)
Insurance Recoveries	158,291	0	0	0	158,291	0
Gain on Sale of Assets	41,741	0	0	0	41,741	0
Other	479,025	6,016,093	999	2,162	480,024	6,018,255
<i>Total General Revenues</i>	<i>15,479,626</i>	<i>18,832,797</i>	<i>999</i>	<i>2,162</i>	<i>15,480,625</i>	<i>18,834,959</i>
<i>Total Revenues</i>	<i>41,944,794</i>	<i>46,907,633</i>	<i>747,861</i>	<i>760,472</i>	<i>42,692,655</i>	<i>47,668,105</i>
<b>Program Expenses</b>						
<i>General Government:</i>						
Legislative and Executive	6,750,700	8,399,055	0	0	6,750,700	8,399,055
Judicial	2,427,480	3,261,561	0	0	2,427,480	3,261,561
Public Safety	6,448,061	5,066,685	0	0	6,448,061	5,066,685
Public Works	9,748,732	9,168,689	0	0	9,748,732	9,168,689
Health	5,078,374	3,436,185	0	0	5,078,374	3,436,185
Human Services	7,052,252	5,679,799	0	0	7,052,252	5,679,799
Economic Development and Assistance	1,839,501	962,362	0	0	1,839,501	962,362
Intergovernmental	88,364	333,761	0	0	88,364	333,761
Interest and Fiscal Charges	97,799	112,537	0	0	97,799	112,537
Pike County Sewer	0	0	1,356,025	816,687	1,356,025	816,687
<i>Total Expenses</i>	<i>39,531,263</i>	<i>36,420,634</i>	<i>1,356,025</i>	<i>816,687</i>	<i>40,887,288</i>	<i>37,237,321</i>

**Pike County**  
*Management's Discussion and Analysis*  
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*(Unaudited)*

**Table 2**  
**Changes in Net Position**  
**(Continued)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
Transfers	0	(\$8,247,193)	0	\$8,247,193	\$0	\$0
<i>Change in Net Position</i>	2,413,531	2,239,806	(608,164)	8,190,978	1,805,367	10,430,784
<i>Net Position at Beginning of Year</i>	45,775,689	43,535,883	14,694,980	6,504,002	60,470,669	50,039,885
<i>Net Position at End of Year</i>	\$48,189,220	\$45,775,689	\$14,086,816	\$14,694,980	\$62,276,036	\$60,470,669

\* Amount restated. See note 21 of the notes to the basic financial statements.

**Governmental Activities**

Capital grants, contributions, and interest increased due to a significant increase in receivables due from grantors for road and bridge projects reported in the current year as compared to the prior year. Operating grants, contributions, and interest decreased due to the recognition of federal ARPA grants in the prior year, which were not as significant in the current year. Investment earnings increased between years due to an increase in the fair value of investments reported by the County for the year. Miscellaneous revenues decreased between years due to reimbursements of ARPA funds to other funds for prior year expenses in the prior year.

Total expenses of governmental activities increased \$3,110,629. Expenses recognized related to net pension and OPEB activity during the year totaled \$51,040, compared to a negative expense (gain) \$4,987,894 recognized in the prior year. This resulted in an increase between years of \$5,038,934 based on the County's proportionate share of its contributions to the respective retirement systems as compared to total contributions received from all participants in those retirement systems. The County also had significant uncapitalizable expenses for road repairs due to various road slips and small culvert replacements or repairs. The remaining differences are various increases in operating costs between years. These increases were offset by a decrease between years related to the large reimbursement of ARPA funds in the prior year, as noted in the discussion in the previous paragraph.

The statement of activities shows the cost of program services and the charges for services and sales, grants, contributions, and interest offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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

**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2023	2022*	2023	2022*
<i>General Government:</i>				
Legislative and Executive	\$6,750,700	\$8,399,055	\$4,410,418	\$3,291,312
Judicial	2,427,480	3,261,561	634,633	1,368,177
Public Safety	6,448,061	5,066,685	4,354,480	2,497,576
Public Works	9,748,732	9,168,689	7,809	1,062,862
Health	5,078,374	3,436,185	2,098,886	1,207,565
Human Services	7,052,252	5,679,799	939,105	(815,441)
Economic Development and Assistance	1,839,501	962,362	575,904	(314,052)
Intergovernmental	88,364	333,761	88,364	74,891
Interest on Long-Term Debt	97,799	112,537	(43,504)	(27,092)
<i>Total Expenses</i>	<u>\$39,531,263</u>	<u>\$36,420,634</u>	<u>\$13,066,095</u>	<u>\$8,345,798</u>

\* Amount restated. See note 21 of the notes to the basic financial statements.

The County is dependent upon tax revenues for the funding of governmental activities. The majority of public safety and general government expenses are supported through taxes and other general revenues. For all governmental activities, tax revenue generated by the community is by far the primary support for the County.

#### Business-Type Activities

Business-type activities include the Pike County sewer fund. This program had total revenues of \$747,861 and expenses of \$1,356,025 for 2023. As previously discussed, management reviews the operations and fees and sets the user fee structure. Business-type activities generally receive no support from tax revenues.

#### The County's Funds

Information about the County's major funds start with the governmental fund balance sheet. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$43,508,017 and expenditures and other financing uses of \$44,429,614. The net change in fund balance for the year was most significant in the board of developmental disabilities fund, which decreased \$964,808, which was primarily due an increase in expenditures during the current year, while revenues remained consistent.

The general fund balance experienced a decrease of \$174,600, while the motor vehicle gasoline tax fund had an increase in fund balance in the amount of \$57,135 primarily due to an increase in charges for services and transfers in.



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

### **General Fund Budgeting Highlights**

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of 2023, the County amended its general fund budget numerous times. The County uses department-based budgeting, and the budgeting systems are designed to tightly control total department budgets but provide flexibility for site management.

For the general fund, original budget basis revenues were \$10,309,675. The final budget of \$11,050,025, which was a \$740,350 increase from original estimates. Revenue estimates increased most significantly for property and sales taxes. Actual budget basis revenues were \$13,730,432, which was \$2,680,407 above final estimates, due primarily to higher than expected property and sales taxes, charges for services, and intergovernmental revenues, which was partially offset by lower than expected other revenues. Original budget basis expenditures were \$9,046,233. Final budget basis expenditures were \$15,356,202, above original estimates by \$6,309,969, due mainly to increases in legislative and executive, judicial, and public safety expenditures. Actual expenditures, totaling \$15,187,946, were monitored closely and resulted in lower than expected spending primarily for legislative and executive expenditures.

The County's ending unobligated general fund cash balance was \$2,848,663 above the final budgeted amount.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

At the end of the 2023, the County had \$48,829,896 invested in land, furniture and fixtures, buildings and improvements, machinery and equipment, vehicles, and infrastructure, of which \$42,571,276 was in governmental activities. Table 4 shows balances as of December 31, 2023 and 2022.

**Table 4**  
**Capital Assets at December 31**  
**(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
Land	\$1,844,261	\$1,844,261	\$7,000	\$7,000	\$1,851,261	\$1,851,261
Construction in Progress	0	821,840	0	0	0	821,840
Furniture and Fixtures	16,624	22,339	0	0	16,624	22,339
Buildings and Improvements	6,268,129	4,983,335	173,247	180,932	6,441,376	5,164,267
Machinery and Equipment	974,916	782,717	162,288	153,779	1,137,204	936,496
Vehicles	1,250,258	1,126,594	40,949	48,960	1,291,207	1,175,554
Infrastructure	32,217,088	30,258,088	5,875,136	6,118,123	38,092,224	36,376,211
Total Capital Assets	<u>\$42,571,276</u>	<u>\$39,839,174</u>	<u>\$6,258,620</u>	<u>\$6,508,794</u>	<u>\$48,829,896</u>	<u>\$46,347,968</u>

\* Amount restated. See note 21 of the notes to the basic financial statements.

See note 11 of the notes to the basic financial statements for more information on the County's capital assets.

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

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**Debt**

As of December 31, 2023, the County had \$10,478,406 in bonds and loans outstanding, with \$622,128 of this long-term debt due within one year. Table 5 summarizes long-term bonds and loans outstanding.

**Table 5**  
**Long-Term Debt Obligations at Year-End**

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
OPWC Loans	\$8,014,714	\$6,342,633	\$0	\$0
OWDA Loans	0	0	201,982	215,380
USDA Loans/Bonds	429,810	467,510	0	0
Revenue Bonds	1,366,000	1,527,200	0	0
General Obligation Bonds	465,900	614,200	0	0
Total Debt Obligations	\$10,276,424	\$8,951,543	\$201,982	\$215,380

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

The County's legal debt margin as of December 31, 2023 is \$2,354,595.

See note 16 of the notes to the basic financial statements for more information regarding the County's debt.

**For the Future**

The County is continuing to monitor its finances closely due to the tightening of finances that Pike County, and most other counties of comparable size, have experienced for the past several years. The County heavily depends on its sales tax revenue in the budgeting process.

In conclusion, the County has committed itself to fiscal responsibility and conservative financial management for many years. In addition, the County's systems of budgeting and internal controls are well regarded. All of the County's financial abilities and resources will be needed to meet the challenges of the future as all subdivisions of local government are entrenched in the battle of increasing general operating costs, decreasing revenues, and the likelihood of sweeping tax law changes.

**Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional information, contact Davida Brown, County Auditor, 230 Waverly Plaza, Suite 200, Waverly, Ohio 45690, or e-mail at [davida.brown@pikecountyoh.gov](mailto:davida.brown@pikecountyoh.gov) or telephone at (740) 947-4125.

**Pike County**  
*Statement of Net Position*  
*As of December 31, 2023*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Pike County Land Reutilization Corporation
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$20,473,975	\$8,161,998	\$28,635,973	\$95,272
Cash and Cash Equivalents in Segregated Accounts	74,384	0	74,384	0
Cash and Cash Equivalents with Fiscal Agents	80,738	0	80,738	0
Materials and Supplies Inventory	498,648	7,113	505,761	0
Accrued Interest Receivable	80,470	0	80,470	0
Accounts Receivable	131,712	76,366	208,078	2,382
Intergovernmental Receivable	6,004,275	0	6,004,275	151,740
Assets Held for Development	0	0	0	856,311
Prepaid Items	173,605	1,409	175,014	0
Sales Tax Receivable	1,647,888	0	1,647,888	0
Property Taxes Receivable	7,202,528	0	7,202,528	0
Loans Receivable (Net of Allowance)	397,942	0	397,942	0
Net OPEB Asset	33,913	0	33,913	0
Nondepreciable Capital Assets	1,844,261	7,000	1,851,261	0
Depreciable Capital Assets, Net	40,727,015	6,251,620	46,978,635	0
<i>Total Assets</i>	<i>79,371,354</i>	<i>14,505,506</i>	<i>93,876,860</i>	<i>1,105,705</i>
<b>Deferred Outflows of Resources</b>				
Pension	8,905,174	186,055	9,091,229	0
OPEB	1,301,883	16,404	1,318,287	0
<i>Total Deferred Outflows of Resources</i>	<i>10,207,057</i>	<i>202,459</i>	<i>10,409,516</i>	<i>0</i>
<b>Liabilities</b>				
Accounts Payable	517,422	1,604	519,026	0
Accrued Wages and Benefits Payable	482,550	6,531	489,081	0
Contracts Payable	126,433	0	126,433	169,289
Intergovernmental Payable	222,167	2,763	224,930	0
Accrued Interest Payable	31,830	0	31,830	0
Claims Payable	31,404	0	31,404	0
<i>Long-Term Liabilities:</i>				
Due Within One Year	1,425,838	11,410	1,437,248	0
<i>Due in More Than One Year:</i>				
Other Amounts Due in More Than One Year	9,928,469	209,790	10,138,259	0
Net Pension Liability	21,746,915	371,248	22,118,163	0
Net OPEB Liability	437,625	4,419	442,044	0
<i>Total Liabilities</i>	<i>34,950,653</i>	<i>607,765</i>	<i>35,558,418</i>	<i>169,289</i>
<b>Deferred Inflows of Resources</b>				
Property Taxes Not Levied to Finance Current Year Operations	5,857,437	0	5,857,437	0
Pension	376,474	102	376,576	0
OPEB	204,627	13,282	217,909	0
<i>Total Deferred Inflows of Resources</i>	<i>6,438,538</i>	<i>13,384</i>	<i>6,451,922</i>	<i>0</i>
<b>Net Position</b>				
Net Investment in Capital Assets	32,265,913	6,056,638	38,322,551	0
Restricted for Debt Service	332,510	0	332,510	0
Restricted for Capital Outlay	481,132	0	481,132	0
Restricted for Other Purposes	19,368,616	0	19,368,616	0
Restricted for Unclaimed Monies	756,359	0	756,359	0
Restricted for Net OPEB Asset	8,562	0	8,562	0
Unrestricted (Deficit)	(5,023,872)	8,030,178	3,006,306	936,416
<i>Total Net Position</i>	<i>\$48,189,220</i>	<i>\$14,086,816</i>	<i>\$62,276,036</i>	<i>\$936,416</i>

See accompanying notes to the basic financial statements.

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

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General Government:				
Legislative and Executive	\$6,750,700	\$1,471,993	\$868,289	\$0
Judicial	2,427,480	459,358	1,333,489	0
Public Safety	6,448,061	725,875	1,367,706	0
Public Works	9,748,732	864,240	6,410,365	2,466,318
Health	5,078,374	839,645	2,139,843	0
Human Services	7,052,252	166,954	5,946,193	0
Economic Development and Assistance	1,839,501	1,106,384	157,213	0
Intergovernmental	88,364	0	0	0
Interest on Long-Term Debt	97,799	141,303	0	0
<i>Total Governmental Activities</i>	39,531,263	5,775,752	18,223,098	2,466,318
<b>Business-Type Activities</b>				
Pike County Sewer	1,356,025	746,862	0	0
<i>Total Business-Type Activities</i>	1,356,025	746,862	0	0
<i>Total Primary Government</i>	\$40,887,288	\$6,522,614	\$18,223,098	\$2,466,318
<b>Component Unit</b>				
Pike County Land Reutilization Corporation	\$293,238	\$0	\$643,230	\$0
<i>Total Component Unit</i>	\$293,238	\$0	\$643,230	\$0

**General Revenues and Transfers**

*Property Taxes Levied for:*

General Purposes  
Health  
Emergency Medical Services  
Human Services  
Sales Taxes Levied for General Purposes  
Other Local Taxes  
Payments in Lieu of Taxes  
Grants and Entitlements not Restricted to Specific Programs  
Contributions and Donations not Restricted to Specific Programs  
Unrestricted Investment Earnings  
Insurance Recoveries  
Gain on Sale of Capital Assets  
Other  
*Total General Revenues*

*Change in Net Position*

*Net Position Beginning of Year - As Restated*

*Net Position End of Year*

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Pike County Land Reutilization Corporation
(\$4,410,418)	\$0	(\$4,410,418)	\$0
(634,633)	0	(634,633)	0
(4,354,480)	0	(4,354,480)	0
(7,809)	0	(7,809)	0
(2,098,886)	0	(2,098,886)	0
(939,105)	0	(939,105)	0
(575,904)	0	(575,904)	0
(88,364)	0	(88,364)	0
43,504	0	43,504	0
(13,066,095)	0	(13,066,095)	0
0	(609,163)	(609,163)	0
0	(609,163)	(609,163)	0
(13,066,095)	(609,163)	(13,675,258)	0
0	0	0	349,992
0	0	0	349,992
2,602,012	0	2,602,012	0
1,251,848	0	1,251,848	0
689,232	0	689,232	0
972,893	0	972,893	0
6,472,759	0	6,472,759	0
79,134	0	79,134	0
278,826	0	278,826	0
1,576,723	0	1,576,723	17,530
5,124	0	5,124	0
872,018	0	872,018	0
158,291	0	158,291	0
41,741	0	41,741	0
479,025	999	480,024	0
15,479,626	999	15,480,625	17,530
2,413,531	(608,164)	1,805,367	367,522
45,775,689	14,694,980	60,470,669	568,894
\$48,189,220	\$14,086,816	\$62,276,036	\$936,416

**Pike County**  
*Balance Sheet*  
*Governmental Funds*  
*As of December 31, 2023*

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$5,631,479	\$1,775,085	\$3,424,143	\$8,856,113	\$19,686,820
Cash and Cash Equivalents in Segregated Accounts	30,075	832	0	43,477	74,384
Cash and Cash Equivalents with Fiscal Agents	65,015	0	15,723	0	80,738
Materials and Supplies Inventory	16,600	479,786	0	2,262	498,648
Accrued Interest Receivable	80,470	0	0	0	80,470
Accounts Receivable	38,042	2,483	75,740	15,447	131,712
Interfund Receivable	516,844	0	0	85,400	602,244
Intergovernmental Receivable	367,153	2,743,018	1,041,075	1,853,029	6,004,275
Prepaid Items	86,031	8,953	19,757	58,864	173,605
Sales Tax Receivable	1,647,888	0	0	0	1,647,888
Property Taxes Receivable	3,578,697	0	1,565,342	2,058,489	7,202,528
Loans Receivable (Net of Allowance)	0	0	0	397,942	397,942
Restricted Cash and Cash Equivalents	756,359	0	0	0	756,359
<i>Total Assets</i>	<i>\$12,814,653</i>	<i>\$5,010,157</i>	<i>\$6,141,780</i>	<i>\$13,371,023</i>	<i>\$37,337,613</i>
<b>Liabilities</b>					
Accounts Payable	\$160,425	\$41,576	\$37,109	\$278,312	\$517,422
Accrued Wages and Benefits Payable	206,334	45,221	103,330	127,665	482,550
Contracts Payable	0	12,715	0	113,718	126,433
Intergovernmental Payable	81,770	17,170	42,845	80,382	222,167
Interfund Payable	0	0	0	602,244	602,244
<i>Total Liabilities</i>	<i>448,529</i>	<i>116,682</i>	<i>183,284</i>	<i>1,202,321</i>	<i>1,950,816</i>
<b>Deferred Inflows of Resources</b>					
Property Taxes Not Levied to Finance Current Year Operations	2,910,366	0	1,273,010	1,674,061	5,857,437
<i>Unavailable Revenue:</i>					
Property Taxes	500,978	0	252,734	317,653	1,071,365
Sales Taxes	609,027	0	0	0	609,027
Grants and Entitlements	293,994	1,689,821	921,852	1,242,614	4,148,281
Other	160	0	0	11,972	12,132
<i>Total Unavailable Revenue</i>	<i>1,404,159</i>	<i>1,689,821</i>	<i>1,174,586</i>	<i>1,572,239</i>	<i>5,840,805</i>
<i>Total Deferred Inflows of Resources</i>	<i>4,314,525</i>	<i>1,689,821</i>	<i>2,447,596</i>	<i>3,246,300</i>	<i>11,698,242</i>
<b>Fund Balances</b>					
Nonspendable	871,670	488,739	19,757	61,126	1,441,292
Restricted	0	2,714,915	3,491,143	9,532,508	15,738,566
Unassigned (Deficit)	7,179,929	0	0	(671,232)	6,508,697
<i>Total Total Fund Balance</i>	<i>8,051,599</i>	<i>3,203,654</i>	<i>3,510,900</i>	<i>8,922,402</i>	<i>23,688,555</i>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<i>\$12,814,653</i>	<i>\$5,010,157</i>	<i>\$6,141,780</i>	<i>\$13,371,023</i>	<i>\$37,337,613</i>

See accompanying notes to the basic financial statements.

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

<b>Total Governmental Fund Balances</b>	\$23,688,555
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*Amounts reported for governmental activities in the statement of net position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	42,571,276
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	1,071,365	
Sales Taxes	609,027	
Grants and Entitlements	4,148,281	
Other	12,132	
<b>Total</b>	5,840,805	

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Leases and Financed Purchases Payable	(28,939)	
Compensated Absences Payable	(1,048,944)	
Accrued Interest Payable	(31,830)	
Revenue Bonds	(1,366,000)	
USDA Loans	(230,800)	
General Obligation Bonds	(465,900)	
USDA Bonds	(199,010)	
OPWC Loans	(8,014,714)	
<b>Total</b>	(11,386,137)	

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

Deferred Outflows-Pension	8,905,174	
Deferred Outflows-OPEB	1,301,883	
Net Pension Liability	(21,746,915)	
Net OPEB Asset	33,913	
Net OPEB Liability	(437,625)	
Deferred Inflows-Pension	(376,474)	
Deferred Inflows-OPEB	(204,627)	
<b>Total</b>	(12,524,671)	

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

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<b>Net Position of Governmental Activities</b>	\$48,189,220
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See accompanying notes to the basic financial statements.

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

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$2,601,350	\$0	\$1,243,005	\$1,541,322	\$5,385,677
Sales Taxes	6,491,332	0	0	0	6,491,332
Other Local Taxes	0	0	0	79,134	79,134
Payments in Lieu of Taxes	278,826	0	0	0	278,826
Charges for Services	1,249,013	671,928	781,334	2,310,084	5,012,359
Fees, Licenses, and Permits	2,750	0	0	30	2,780
Fines and Forfeitures	275,792	20,360	0	302,071	598,223
Intergovernmental	2,022,866	5,417,961	1,483,458	11,550,491	20,474,776
Interest	443,331	2,287	0	698	446,316
Change in Fair Value of Investments	428,228	0	0	0	428,228
Rent	23,849	0	0	141,303	165,152
Contributions and Donations	5,124	9,869	1,300	29,149	45,442
Other	268,399	11,541	36,917	160,240	477,097
<i>Total Revenues</i>	<i>14,090,860</i>	<i>6,133,946</i>	<i>3,546,014</i>	<i>16,114,522</i>	<i>39,885,342</i>
<b>Expenditures</b>					
<i>Current:</i>					
<i>General Government:</i>					
Legislative and Executive	5,629,080	0	0	694,823	6,323,903
Judicial	1,710,561	0	0	726,603	2,437,164
Public Safety	3,899,001	0	0	2,333,259	6,232,260
Public Works	315,787	5,889,387	0	2,032,691	8,237,865
Health	141,047	0	4,489,870	388,275	5,019,192
Human Services	279,978	0	0	6,754,536	7,034,514
Economic Development and Assistance	0	0	0	1,832,913	1,832,913
Capital Outlay	1,135,903	96,602	17,200	3,673,302	4,923,007
Intergovernmental	0	0	0	88,364	88,364
<i>Debt Service:</i>					
Principal	55,589	503,129	5,685	334,265	898,668
Interest	3,311	4,839	568	93,671	102,389
<i>Total Expenditures</i>	<i>13,170,257</i>	<i>6,493,957</i>	<i>4,513,323</i>	<i>18,952,702</i>	<i>43,130,239</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>920,603</i>	<i>(360,011)</i>	<i>(967,309)</i>	<i>(2,838,180)</i>	<i>(3,244,897)</i>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	250,000	0	999,375	1,249,375
Proceeds from Sale of Capital Assets	0	43,500	0	0	43,500
Proceeds of OPWC Loans	0	0	0	2,154,309	2,154,309
Insurance Recoveries	34,645	123,646	0	0	158,291
Inception of Financed Purchase	0	0	17,200	0	17,200
Transfers Out	(1,129,848)	0	(14,699)	(154,828)	(1,299,375)
<i>Total Other Financing Sources (Uses)</i>	<i>(1,095,203)</i>	<i>417,146</i>	<i>2,501</i>	<i>2,998,856</i>	<i>2,323,300</i>
<i>Net Change in Fund Balances</i>	<i>(174,600)</i>	<i>57,135</i>	<i>(964,808)</i>	<i>160,676</i>	<i>(921,597)</i>
<i>Fund Balances at Beginning of Year - As Restated</i>	<i>8,226,199</i>	<i>3,146,519</i>	<i>4,475,708</i>	<i>8,761,726</i>	<i>24,610,152</i>
<i>Fund Balances at End of Year</i>	<i>\$8,051,599</i>	<i>\$3,203,654</i>	<i>\$3,510,900</i>	<i>\$8,922,402</i>	<i>\$23,688,555</i>

See accompanying notes to the basic financial statements.



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

**Net Change in Fund Balances - Total Governmental Funds** (\$921,597)

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

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

Capital Asset Additions	4,923,007	
Current Year Depreciation	(2,176,345)	
Total	2,746,662	2,746,662

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (14,560)

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

Property Taxes	130,308	
Sales Taxes	(18,573)	
Charges for Services and Sales	(2,762)	
Grants and Entitlements	1,748,315	
Other	1,928	
Total	1,859,216	1,859,216

Repayment of bond, loan, lease, and financed purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 898,668

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

Proceeds from OPWC Loans	(2,154,309)	
Inception of Financed Purchase	(17,200)	
Total	(2,171,509)	(2,171,509)

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

Decrease in Compensated Absences	126,487	
Decrease in Accrued Interest Payable	4,590	
Total	131,077	131,077

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

Pensions	1,753,645	
Total	1,753,645	1,753,645

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

Pensions	(2,641,112)	
OPEB	836,427	
Total	(1,804,685)	(1,804,685)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental funds. (63,386)

**Net Change in Net Position of Governmental Activities** \$2,413,531

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$1,987,290	\$2,130,000	\$2,527,483	\$397,483
Sales Taxes	5,822,247	6,240,350	6,584,052	343,702
Payments in Lieu of Taxes	223,920	240,000	278,826	38,826
Charges for Services	781,607	837,735	930,624	92,889
Fees, Licenses, and Permits	3,032	3,250	2,750	(500)
Fines and Forfeitures	215,514	230,990	259,999	29,009
Intergovernmental	883,271	946,700	2,061,921	1,115,221
Interest	186,600	200,000	378,213	178,213
Rent	0	0	23,849	23,849
Other	206,194	221,000	52,571	(168,429)
<i>Total Revenues</i>	<i>10,309,675</i>	<i>11,050,025</i>	<i>13,100,288</i>	<i>2,050,263</i>
<b>Expenditures</b>				
<i>Current:</i>				
<i>General Government:</i>				
Legislative and Executive	4,039,539	6,123,060	5,174,172	948,888
Judicial	1,253,276	2,127,466	2,077,804	49,662
Public Safety	2,521,352	4,049,494	3,939,636	109,858
Public Works	177,649	301,563	270,754	30,809
Health	83,697	142,078	140,507	1,571
Human Services	178,191	302,484	279,264	23,220
Capital Outlay	0	964,718	964,718	0
Debt Service:				
Principal	32,747	55,589	55,589	0
Interest	1,950	3,311	3,311	0
<i>Total Expenditures</i>	<i>8,288,401</i>	<i>14,069,763</i>	<i>12,905,755</i>	<i>1,164,008</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>2,021,274</i>	<i>(3,019,738)</i>	<i>194,533</i>	<i>3,214,271</i>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	116,079	116,079
Insurance Recoveries	0	0	34,645	34,645
Advances In	0	0	479,420	479,420
Transfers Out	(757,832)	(1,286,439)	(1,285,927)	512
Advances Out	0	0	(996,264)	(996,264)
<i>Total Other Financing Sources (Uses)</i>	<i>(757,832)</i>	<i>(1,286,439)</i>	<i>(1,652,047)</i>	<i>(365,608)</i>
<i>Net Change in Fund Balances</i>	<i>1,263,442</i>	<i>(4,306,177)</i>	<i>(1,457,514)</i>	<i>2,848,663</i>
<i>Fund Balances at Beginning of Year - As Restated</i>	<i>4,288,520</i>	<i>4,288,520</i>	<i>4,288,520</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$5,551,962</i>	<i>(\$17,657)</i>	<i>\$2,831,006</i>	<i>\$2,848,663</i>

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$401,933	\$486,237	\$553,806	\$67,569
Fines and Forfeitures	12,399	15,000	20,056	5,056
Intergovernmental	4,348,460	5,260,536	5,424,760	164,224
Interest	0	0	2,310	2,310
Contributions and Donations	0	0	9,869	9,869
Other	0	26,353	11,541	(14,812)
<i>Total Revenues</i>	<u>4,762,792</u>	<u>5,788,126</u>	<u>6,022,342</u>	<u>234,216</u>
<b>Expenditures</b>				
<i>Current:</i>				
Public Works	4,657,634	7,554,114	6,263,266	1,290,848
Capital Outlay	47,735	134,519	83,887	50,632
<i>Debt Service:</i>				
Principal	310,867	507,961	503,129	4,832
Interest	306	500	4,839	(4,339)
<i>Total Expenditures</i>	<u>5,016,542</u>	<u>8,197,094</u>	<u>6,855,121</u>	<u>1,341,973</u>
<i>Excess of Revenues Under Expenditures</i>	(253,750)	(2,408,968)	(832,779)	1,576,189
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	250,000	250,000	0
Procees from Sale of Capital Assets	0	0	43,500	43,500
Insurance Recoveries	102,208	123,646	123,646	0
Advances In	0	0	250,000	250,000
Advances Out	0	0	(250,000)	(250,000)
<i>Total Other Financing Sources (Uses)</i>	<u>102,208</u>	<u>373,646</u>	<u>417,146</u>	<u>43,500</u>
<i>Net Change in Fund Balances</i>	(151,542)	(2,035,322)	(415,633)	1,619,689
<i>Fund Balances at Beginning of Year - As Restated</i>	<u>2,185,319</u>	<u>2,185,319</u>	<u>2,185,319</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$2,033,777</u>	<u>\$149,997</u>	<u>\$1,769,686</u>	<u>\$1,619,689</u>

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$1,150,000	\$1,150,000	\$1,229,676	\$79,676
Charges for Services	800,000	800,000	781,834	(18,166)
Intergovernmental	1,186,000	1,186,000	1,479,892	293,892
Contributions and Donations	0	0	1,300	1,300
Other	10,000	10,000	33,177	23,177
<i>Total Revenues</i>	<u>3,146,000</u>	<u>3,146,000</u>	<u>3,525,879</u>	<u>379,879</u>
<b>Expenditures</b>				
<i>Current:</i>				
Health	3,745,140	4,593,106	4,402,751	190,355
Capital Outlay	93,953	24,286	0	24,286
<i>Debt Service:</i>				
Principal	4,727	5,685	5,685	0
Interest	472	568	568	0
<i>Total Expenditures</i>	<u>3,844,292</u>	<u>4,623,645</u>	<u>4,409,004</u>	<u>214,641</u>
<i>Excess of Revenues Under Expenditures</i>	(698,292)	(1,477,645)	(883,125)	594,520
<b>Other Financing Uses</b>				
Transfers Out	(20,537)	(24,700)	(24,699)	1
<i>Total Other Financing Uses</i>	<u>(20,537)</u>	<u>(24,700)</u>	<u>(24,699)</u>	<u>1</u>
<i>Net Change in Fund Balances</i>	(718,829)	(1,502,345)	(907,824)	594,521
<i>Fund Balances at Beginning of Year - As Restated</i>	<u>4,154,251</u>	<u>4,154,251</u>	<u>4,154,251</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$3,435,422</u>	<u>\$2,651,906</u>	<u>\$3,246,427</u>	<u>\$594,521</u>

See accompanying notes to the basic financial statements.

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

	Business-Type Activities	Governmental Activities
	Pike County Sewer	Internal Service
<b>Assets</b>		
<i>Current Assets</i>		
Equity in Pooled Cash and Investments	\$8,161,998	\$30,796
Materials and Supplies Inventory	7,113	0
Accounts Receivable	76,366	0
Prepaid Items	1,409	0
<i>Total Current Assets</i>	<u>8,246,886</u>	<u>30,796</u>
<i>Noncurrent Assets</i>		
Nondepreciable Capital Assets	7,000	0
Depreciable Capital Assets, Net	6,251,620	0
<i>Total Noncurrent Assets</i>	<u>6,258,620</u>	<u>0</u>
<i>Total Assets</i>	14,505,506	30,796
<b>Deferred Outflows of Resources</b>		
Pension	186,055	0
OPEB	16,404	0
<i>Total Deferred Outflows of Resources</i>	<u>202,459</u>	<u>0</u>
<b>Liabilities</b>		
<i>Current Liabilities</i>		
Accounts Payable	1,604	0
Accrued Wages and Benefits Payable	6,531	0
Intergovernmental Payable	2,763	0
Claims Payable	0	31,404
Compensated Absences Payable - Current Portion	6,877	0
OWDA Loans Payable - Current Portion	4,533	0
<i>Total Current Liabilities</i>	<u>22,308</u>	<u>31,404</u>
<i>Noncurrent Liabilities</i>		
Compensated Absences Payable	12,341	0
OWDA Loans Payable	197,449	0
Net Pension Liability	371,248	0
Net OPEB Liability	4,419	0
<i>Total Noncurrent Liabilities</i>	<u>585,457</u>	<u>0</u>
<i>Total Liabilities</i>	607,765	31,404
<b>Deferred Inflows of Resources</b>		
Pension	102	0
OPEB	13,282	0
<i>Total Deferred Inflows of Resources</i>	<u>13,384</u>	<u>0</u>
<b>Net Position</b>		
Net Investment in Capital Assets	6,056,638	0
Unrestricted (Deficit)	8,030,178	(608)
<i>Total Net Position</i>	<u>\$14,086,816</u>	<u>(\$608)</u>

See accompanying notes to the basic financial statements.

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

	Business-Type Activities	Governmental Activities
	Pike County Sewer	Internal Service
<b>Operating Revenues</b>		
Charges for Services	\$746,862	\$271,980
Other	999	0
<i>Total Operating Revenues</i>	<u>747,861</u>	<u>271,980</u>
<b>Operating Expenses</b>		
Personal Services	166,744	0
Fringe Benefits	285,568	0
Contractual Services	565,744	0
Materials and Supplies	59,054	0
Claims	0	385,570
Depreciation	274,169	0
<i>Total Operating Expenses</i>	<u>1,351,279</u>	<u>385,570</u>
<i>Operating Loss</i>	(603,418)	(113,590)
<b>Nonoperating Revenues (Expenses)</b>		
Interest	0	204
Interest on Long-Term Debt	(4,746)	0
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(4,746)</u>	<u>204</u>
<i>Loss Before Transfers</i>	(608,164)	(113,386)
Transfers In	<u>0</u>	<u>50,000</u>
<i>Change in Net Position</i>	(608,164)	(63,386)
<i>Net Position Beginning of Year</i>	<u>14,694,980</u>	<u>62,778</u>
<i>Net Position End of Year</i>	<u><u>\$14,086,816</u></u>	<u><u>(\$608)</u></u>

See accompanying notes to the basic financial statements.

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

	Business-Type Activities	Governmental Activities
	Pike County Sewer	Internal Service
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$736,457	\$0
Cash Received from Transactions with Other Funds	0	271,980
Cash Payments for Employee Services and Benefits	(269,536)	0
Cash Payments to Suppliers for Goods and Services	(626,136)	0
Cash Payments for Claims	0	(394,213)
Other Operating Revenues	999	0
<i>Net Cash Used for Operating Activities</i>	<u>(158,216)</u>	<u>(122,233)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Transfers from Other Funds	0	50,000
<i>Net Cash Provided for Noncapital Financing Activities</i>	<u>0</u>	<u>50,000</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Payments for Capital Assets	(23,995)	0
Principal Paid on Debt	(13,398)	0
Interest Paid on Debt	(4,746)	0
<i>Net Cash Used for Noncapital Financing Activities</i>	<u>(42,139)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>		
Investment Earnings	0	204
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>204</u>
<i>Net Change in Cash and Cash Equivalents</i>	(200,355)	(72,029)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>8,362,353</u>	<u>102,825</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$8,161,998</u></u>	<u><u>\$30,796</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>		
Operating Loss	(\$603,418)	(\$113,590)
<i>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</i>		
Depreciation	274,169	0
<i>Changes in Assets, Liabilities, and Deferred Inflows/Outflows of Resources:</i>		
Increase in Accounts Receivable	(10,405)	0
Decrease in Materials and Supplies	12,387	0
Decrease in Prepaid Items	477	0
Decrease in Accounts Payable	(14,202)	0
Increase in Accrued Wages and Benefits Payable	517	0
Increase in Intergovernmental Payable	273	0
Decrease in Claims Payable	0	(8,643)
Decrease in Compensated Absences Payable	(1,509)	0
Increase in Deferred Outflows	(76,545)	0
Decrease in Deferred Inflows	(82,407)	0
Increase in Net Pension Liability	307,643	0
Decrease in Net OPEB Asset	30,385	0
Increase in Net OPEB Liability	4,419	0
<b>Net Cash Used for Operating Activities</b>	<u><u>(\$158,216)</u></u>	<u><u>(\$122,233)</u></u>

See accompanying notes to the basic financial statements.

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

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**Assets**

Equity in Pooled Cash and Investments	\$3,041,038
Cash and Cash Equivalents in Segregated Accounts	492,871
Accounts Receivable	47,131
Intergovernmental Receivable	2,026,398
Prepaid Items	7,403
Property Taxes Receivable	25,414,434
<i>Total Assets</i>	<u>31,029,275</u>

**Liabilities**

Accounts Payable	23,658
Accrued Wages and Benefits Payable	27,440
Intergovernmental Payable	3,223,284
Undistributed Monies	532,655
<i>Total Liabilities</i>	<u>3,807,037</u>

**Deferred Inflows of Resources**

Property Taxes Not Levied to Finance Current Year Operations	20,668,219
<i>Total Deferred Inflows of Resources</i>	<u>20,668,219</u>

**Net Position**

Restricted for Individuals, Organizations, and Other Governments	6,554,019
<i>Total Net Position</i>	<u><u>\$6,554,019</u></u>

See accompanying notes to the basic financial statements.



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

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**Additions**

Intergovernmental	\$4,691,301
Amounts Received as Fiscal Agent	2,485,473
Licenses, Permits, and Fees for Other Governments	4,554,251
Fines and Forfeitures for Other Governments	814,558
Property Tax Collections for Other Governments	16,894,014
Sheriff Sale Collections for Others	937,751
<i>Total Additions</i>	<u>30,377,348</u>

**Deductions**

Distributions as Fiscal Agent	2,639,374
Distributions of State Funds to Other Governments	4,346,273
Distributions to the State of Ohio	101,999
Licenses and Permits Distributions to Other Governments	4,450,895
Fines and Forfeitures Distributions to Other Governments	817,899
Distributions on Behalf of Employees	3,215
Property Tax Distributions to Other Governments	17,406,129
Sheriff Sale Distributions to Others	937,751
<i>Total Deductions</i>	<u>30,703,535</u>

<i>Change in Net Position</i>	(326,187)
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<i>Net Position at Beginning of Year</i>	<u>6,880,206</u>
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<i>Net Position at End of Year</i>	<u><u>\$6,554,019</u></u>
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See accompanying notes to the basic financial statements.

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

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**Note 1 – Reporting Entity**

Pike County, Ohio (the County), was created in 1815. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, a Probate/Juvenile Court Judge, and a County 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 reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For the County, this includes the Pike County Board of Developmental Disabilities, Pike County Community Development, Emergency Medical Services, Emergency Management Agency, Pike County Planning Commission, Children Services Board, and departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the 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 organization's budget, the issuance of its debt, or levying of its taxes.

The Pike County Land Reutilization Corporation (Land Bank) was formed on July 23, 2018 as a legally separate not-for-profit organization, created under Ohio Revised Code Sections 5722.02 to 5722.15 and Chapter 1724, to strengthen neighborhoods in the County by returning vacant and abandoned properties to productive use. The Land Bank has been designated as the County's agent for reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property within the County. The Land Bank is governed by a five-member Board of Directors, consisting of two County Commissioners, the County Treasurer, one representative from the municipal corporation with the largest population, and one representative from a township with a population of ten thousand or more. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the Land Bank and the management and control of its properties. Because the County makes up and/or appoints a voting majority of the Board of Directors, and the County is able to impose its will on the operation of the Land Bank, the relationship between the County and the Land Bank is such that exclusion could cause the County's financial statements to be misleading. As such, the Land Bank has been presented as a component unit of the County. Separately issued financial statements can be obtained from Ed Davis, Board Chair, at 230 Waverly Plaza #300, Waverly, Ohio 45690.

The information presented in notes 1 through 22 and note 24 relates to the primary government. Information related to the discretely presented component unit is presented in note 23.

The County has no other blended or discretely presented component units that require presentation.

The County is associated with certain organizations which are defined as jointly governed organizations or related organizations. These organizations are presented in notes 18 and 19 to the basic financial statements. These organizations are:

- Buckeye Joint-County Self-Insurance Council
- Paint Valley Mental Health Alcohol and Drug Addiction Board of Pike, Fayette, Highland, Pickaway, and Ross Counties
- Hocking Valley Community Residential Center

**Pike County**  
*Notes to the Basic Financial Statements*  
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- South Central Regional Juvenile Detention Center
- Ohio Valley Resource Conservation and Development Area, Inc.
- Job Training Partnership Consortium
- Private Industry Council
- Southern Ohio Development Initiative
- Southern Ohio Council of Governments
- Scioto Valley-Piketon Area Council of Governments
- Garnet A. Wilson Library of Pike County
- Pike Metropolitan Housing Authority
- Pike Adult Activities Center, dba Canal Industries

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 districts listed below, the County serves as fiscal agent, but the districts are not fiscally dependent on the County. Accordingly, the activity of the following districts is presented as custodial funds within the County's financial statements.

- The Soil and Water Conservation District was 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 its own staff, and do not rely on the County to approve operations.
- The Pike County Health District is governed by a five member Board of Health which oversees the operation of the Health District and is elected by a regional advisory council. The Board adopts its own budget, hires and fires its own staff, and is legally separate from the County. Although the County Commissioners serve as the taxing authority for the Health District, this is strictly a ministerial function. The County does not approve the fiscal operations of the District.

#### **Note 2 – Summary of Significant Accounting Policies**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applies to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Pike County (the County and the primary government) follows GASB guidance as applicable to its governmental and business-type activities. The most significant of the County's accounting policies are described below.

#### **Basis of Presentation**

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that 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" revenues and expenses. The statements distinguish between those activities of the primary government that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for business-type activities of the County. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipient of the goods or services and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is

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

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required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

#### Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements present financial information at a more detailed level. The governmental and enterprise fund financial statements focus 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 statements. Fiduciary funds are reported by type.

#### **Fund Accounting**

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

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

*General Fund* – This fund is used to account for all financial resources of the County not accounted for or reported 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.

*Motor Vehicle Gasoline Tax Fund* – This fund is used to account for revenues derived from motor vehicle licenses and gasoline taxes. Expenditures are restricted by state law to county road and bridge repair/improvement programs.

*Board of Developmental Disabilities Fund* – This fund is used to account for the operation of a school for the developmentally disabled. Revenue sources are a county-wide property tax levy and federal and state grants.

The County's nonmajor governmental funds account for (1) grants and other resources whose use is restricted to a particular purpose; (2) the accumulation of resources for, and payment of, the principal, interest, and related costs for the County's general long-term debt; and (3) financial resources used for the acquisition, construction, or renovation of facilities (other than those financed by proprietary funds).

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

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the County's intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The County's only enterprise fund is the following major fund:

*Pike County Sewer Fund* – This fund is used to account for revenue received from user charges for sewer services provided to residents of Pike County. The costs of providing services are financed through user charges.

**Pike County**  
*Notes to the Basic Financial Statements*  
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Internal service funds are used to 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 fund is used to provide reimbursement for qualified health care claims under \$5,000.

*Fiduciary Funds* – Fiduciary fund reporting focuses on net position and changes in net position. There are four types of fiduciary funds: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The only type of fiduciary fund the County uses is custodial funds.

The custodial funds account for assets held in a purely custodial capacity by the County as fiscal agent for other entities, and for various taxes, state-shared revenues, and fines and forfeitures collected on behalf of and distributed to other local governments. Custodial fund transactions typically involve only the receipt, temporary investment, and distribution of these fiduciary resources.

### **Measurement Focus**

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

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

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

### **Basis of Accounting**

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

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

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Revenues-Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. Revenue from sales taxes is recognized in the period in which the sale occurs. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. (See note 6) Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under this basis, the following revenue sources are considered to be both measurable and available at fiscal yearend: sales tax (see note 8), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide and proprietary fund statements of net position and include pension/OPEB expense. A deferral for pension/OPEB results from changes in net pension/OPEB liability (asset) not recognized as a component of current year pension/OPEB expense. This amount is deferred and amortized over various periods as instructed by the pension/OPEB plan administrators. Deferred outflows of resources related to pensions/OPEB are explained further in notes 12 and 13.

In addition to liabilities, the statements of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. The County reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the County, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes delinquent property taxes, sales taxes, grants and entitlements, and other. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension/OPEB are explained further in notes 12 and 13.

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. On the modified accrual basis, expenditures are generally recognized in the accounting period in which the related

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

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fund liability is incurred, if measurable, provided current financial resources are to be used. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Budgetary Process**

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, 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 amounts that the County Commissioners may appropriate. The appropriation resolution is the Commissioners authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Commissioners. The legal level of control has been established by the Commissioners at the fund, function, and object level within each department.

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

The appropriation resolution is subject to amendment by the Commissioners throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represented the final appropriation amounts passed by the Commissioners during the year.

**Cash, Cash Equivalents, and Investments**

Cash balances of the County's funds, except cash held by a trustee or fiscal agent and in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the balance sheet and statements of net position.

Cash and cash equivalents that are held separately within departments of the County and not held with the County Treasurer are recorded on the balance sheet and statements of net position as "cash and cash equivalents in segregated accounts."

Cash and cash equivalents that are held by the Southern Ohio Council of Governments on behalf of the County's Board of Developmental Disabilities are recorded on the balance sheet and statement of net position as "cash and cash equivalents with fiscal agents". This asset classification also reports cash and cash equivalents held by the Pike County Agricultural Society for use on the County's grandstand replacement project at the Pike County fairgrounds.

For reporting purposes, "equity in pooled cash and investments" is defined as cash on hand, demand deposits, and investments held in the County treasury.

For cash flow reporting purposes, the County's proprietary funds consider cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. "Equity in pooled cash and investments" is considered to be cash and equivalents since these assets are available on demand.

Investments held by the County Treasurer are stated at fair value using quoted market prices.

During fiscal year 2023, investments were limited to Federal Home Loan Mortgage Corporation securities, Federal Farm Credit Bank securities, Federal Home Loan Bank securities, Federal National Mortgage Association securities, municipal bonds, negotiable certificates of deposit, U.S. Treasury notes, commercial paper, and money market funds.

**Pike County**  
*Notes to the Basic Financial Statements*  
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Under existing Ohio law, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Distribution is made utilizing a formula based on the average month-end balance of cash and cash equivalents of all funds.

Interest is distributed to the general fund, motor vehicle gasoline tax, federal revolving loan, law enforcement block grant, 2018 FEMA, 2019 FEMA, and Armintrout trust special revenue funds, and the Pike County health care notes debt service fund. Interest earned during 2023 amounted to \$446,316 in the governmental funds. The County also experienced an increase in the fair value of investments of \$428,228, which was recognized in the general fund.

#### **Loans Receivable**

Loans receivable consists of long-term revolving loans for housing and community development projects. The programs are primarily funded by a federal block grant, with a local match from the County. Loans receivable is offset by a credit to restricted fund balance. The expenditure is recorded when the loan is made.

#### **Inventory**

On the government-wide financial statements, inventories are presented at cost, on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the enterprise fund are expensed when used.

#### **Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2023 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

#### **Restricted Assets**

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the assets. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the general fund represent money set aside for unclaimed monies.

#### **Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The County maintains a capitalization threshold of \$5,000 for all assets except infrastructure, in which the County maintains a capitalization threshold of \$50,000. Public domain (infrastructure) general capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have been capitalized for acquisitions during 2023 and previous fiscal years in accordance with GASB Statement No. 34.



**Pike County**  
*Notes to the Basic Financial Statements*  
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Interest incurred during the construction of assets is not capitalized. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Estimated Lives
Buildings and Improvements	20-40 years
Roads and Bridges (Infrastructure)	10-50 years
Furniture and Fixtures	10 years
Sewer Lines	50 years
Machinery and Equipment	5-15 years
Vehicles	8 years

Amortization of intangible right to use leased assets is computed using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

#### **Interfund Balances**

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund loans which do not represent available expendable resources are classified as nonspendable fund balance. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

#### **Compensated Absences**

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences" as interpreted by Interpretation No. 6 of the GASB, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The County records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee who has accumulated unpaid leave is paid. The County did not have any matured compensated absences to report as of December 31, 2023.

#### **Fund Balance**

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

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

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*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

*Restricted* – 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 change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the County Commissioners. The County Auditor generally will assign monies through the issuance of purchase orders.

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

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

### **Net Position**

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and the effect of deferred outflows and inflows related to the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions, or enabling legislation adopted or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes various grants and other resources restricted for various purposes. The County’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the County’s restricted net position, none is restricted by enabling legislation.

### **Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for sewer services and charges to other funds for the health reimbursement account program. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the funds. Revenues and expenses not matching these definitions are reported as non-operating revenues and expenses.

### **Pensions/Other Postemployment Benefits (OPEB)**

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

### **Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans, financed purchases, and leases are recognized as a liability in the fund financial statements when due. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

### **Interfund Transactions**

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

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

### **Estimates**

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

### **Note 3 – Conversion of Operations from Budget Basis to GAAP Basis**

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The statements of revenues, expenditures, and changes in fund balances-budget and actual (budget basis) are presented in the basic financial statements for the general fund and major special revenue funds. The major differences between the budget basis and the GAAP basis are that:

**Pike County**  
*Notes to the Basic Financial Statements*  
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1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment, or assignment of fund balance for governmental fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Revolving loans made to eligible businesses and individuals are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
6. Certain funds are reported as part of the general fund and board of developmental disabilities fund on a GAAP basis, but are not reported as part of the general fund and board of developmental disabilities fund, respectively, on the budget basis.

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

**Net Change in Fund Balance (Deficit)**  
**General and Major Special Revenue Funds**

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities
GAAP Basis	(\$174,600)	\$57,135	(\$964,808)
<i>Net Adjustments for:</i>			
Revenue Accruals	(453,580)	(111,604)	(20,135)
Expenditure Accruals	(193,463)	(361,164)	104,319
Other Sources (Uses)	(556,844)	0	(27,200)
<i>Perspective Difference:</i>			
Activity of Funds Reclassified For GAAP Reporting Purposes	(79,027)	0	0
Budget Basis	(\$1,457,514)	(\$415,633)	(\$907,824)

**Note 4 – Accountability**

**Fund Balance Deficits**

The following funds have a fund balance deficit as of December 31, 2023:

<i>Nonmajor Funds:</i>	
Electronic Monitor HSE Arrest	\$67,224
EPA Recycle Grant	85,400
Pike County Sheriff Body Worn Cameras	67,890
State Issue II Grants	450,718
 Internal Service Fund	 608

These deficits are a result of the application of accounting principles generally accepted in the United States of America to the financial reporting of these funds. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

**Note 5 – Deposits and Investments**

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

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

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

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recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

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

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

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

#### **Cash on Hand**

At year end, the County had \$5,000 in undeposited cash on hand which is included on the financial statements of the County as part of "equity in pooled cash and investments."

#### **Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The County's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

The County's bank balance of \$15,761,125 is either covered by FDIC or collateralized by the financial institutions' public entity deposit pools in the manner as described above.

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

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

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**Investments**

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

	Weighted Average Maturity				% of Total
	Carrying/ Fair Value	Less Than One Year	1-2 Years	3-5 Years	
Federal Home Loan Mortgage Corporation	\$154,879	\$0	\$0	\$154,879	1%
Federal Farm Credit Bank	2,057,070	1,002,486	930,237	124,347	12%
Federal Home Loan Bank	3,282,579	2,670,293	162,721	449,565	19%
Federal National Mortgage Association	800,241	0	550,224	250,017	4%
Municipal Bonds	674,187	307,077	367,110	0	4%
U.S. Treasury Notes	1,295,602	1,295,602	0	0	7%
Negotiable Certificates of Deposit	5,576,238	1,074,688	3,101,985	1,399,565	32%
Commercial Paper	3,789,023	3,789,023	0	0	21%
Money Market Fund	54,985	54,985	0	0	0%
<b>Total Investments</b>	<b>\$17,684,804</b>	<b>\$10,194,154</b>	<b>\$5,112,277</b>	<b>\$2,378,373</b>	<b>100%</b>

*Interest rate risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has no policy specifically dealing with interest rate risk. The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

*Credit risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy allows the County to invest in accordance with the Ohio Revised Code (Ohio Law). Ratings in Investments in the Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, Federal National Mortgage Association, and U.S. Treasury notes ranged from AA+ and AAA by Standard & Poor's and Aaa by Moody's. The investment rating for the money market fund was rated AAAM by Standard and Poor's. Commercial paper was rated A1 and A1+ by Standard & Poor's and P1 by Moody's. Ratings in municipal bonds ranged from AA to AAA by Standard & Poor's and Aa3 to Aaa by Moody's. Negotiable certificates of deposit are not rated.

*Concentration of credit risk* – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County places no limit on the amount the County may invest in any one issuer; however their investment policy does stress diversification to limit potential losses.

*Custodial credit risk* – Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the County's securities are either insured and registered in the name of the County or at least registered in the name of the County. The County has no policy specifically related to custodial credit risk, but requires the County to conform to requirements of Ohio law.

The County has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the County's recurring fair value measurements as of December 31, 2023. All of the County's investments are valued using pricing sources as provided by the investments managers (Level 2 inputs)

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of

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appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2017. Real property taxes are payable annually or semiannually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Certain public utility property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to itself its share of the taxes collected. The County records receipt of these taxes in various funds.

Accrued property taxes receivable represents delinquent taxes outstanding and real and public utility taxes which were measurable and unpaid as of December 31, 2023. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2023 operations.

The full tax rate for all County operations for the year ended December 31, 2023 was \$14.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	\$446,144,050
Public Utility Personal Property	127,175,980
Total Property Taxes	<u>\$573,320,030</u>

#### **Note 7 – Tax Abatements**

A tax abatement is defined as a reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forego tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the County or the citizens of the County. The County has entered into such agreements. A description of the County's abatement programs where the County has promised to forego taxes follows:

#### **Community Reinvestment Area (CRA) Program**

The Ohio Community Reinvestment Area program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Community Reinvestment Areas (CRA) are areas of land in which property owners can receive tax incentives for investing in real property improvements. In order to use the Community Reinvestment program, a city, village, or county petitions to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing has traditionally been discouraged. Once the area is confirmed by the Director of ODSA, communities may offer real property tax exemptions to taxpayers that invest in that area.

The County determines the type of development to support by specifying the eligibility of residential, commercial, and/or industrial projects. The County negotiates property tax exemptions on new property tax from investment for up to one hundred percent (100%) for up to fifteen years based on the amount of investments made to renovate or construct buildings within a CRA. Taxes are abated as the increase in assessed value resulting from the investment is not included (or included at a lesser amount) in the assessed value used for property tax computation for the taxpayer. For commercial projects, job retention and/or creation is also required. Agreements must be in place before the project begins. Provisions for recapturing property tax exemptions, which can be used at the discretion of the County, are pursuant to ORC Sections 9.66(C)(1) and 9.66(C)(2).



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The County did not abate a significant amount of property taxes through abatement programs for the year ended December 31, 2023.

**Note 8 – Permissive Sales Tax**

In 1988, in accordance with Sections 5739.02 and 5741.02 of the Revised Code, the County Commissioners, by resolution, imposed a one percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. 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 Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

Proceeds of the tax are credited entirely to the general fund. A receivable is recognized at year-end for amounts that will be received from sales which occurred during 2023. On a full accrual basis, the full amount of the receivable is recognized as revenue. On a modified accrual basis, the amount of the receivable that will be received outside of the available period is reported as deferred inflows of resources-unavailable resources. Sales and use tax revenue for 2023 amounted to \$6,472,759.

**Note 9 – Receivables**

Receivables at December 31, 2023 consisted of property, sales, accounts (billings for user charged services), interest, loans, and due from other governments arising from grants, entitlements and shared revenues. All receivables (other than loans) are considered collectible in full.

The Department of Community Development loans money to eligible residents of Pike County to rehabilitate their residences. Part of the loan agreement states that the loan recipient will not sell their home for five years after such rehabilitation is completed. The Community Development office secures a lien against the property for this five-year period. This type of assistance will be in the form of a declining/deferred loan. There are no monthly payments and no interest will be charged. 80 percent of the amount borrowed will be forgiven over five years, declining 20 percent each year. The remaining 20 percent will be in the form of a deferred loan. Deferred loans do not get repaid until the homeowner sells, vacates, or transfers the title of the property. Other loans receivable represent low interest loans for development projects and home improvements granted to eligible County residents and businesses under the Community Development. Of the total loans receivable disclosed on the balance sheet, \$397,942 represents the amount of principal on the loans subject to forgiveness under the above agreement.

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A summary of the principal items of intergovernmental receivables is as follows:

Governmental Activities	Amount
<i>Major Funds:</i>	
General Fund	\$367,153
Motor Vehicle Gasoline Tax	2,743,018
Board of Developmental Disabilities Grants	1,041,075
<i>Nonmajor Funds:</i>	
Job and Family Services	104,481
Child Support Enforcement Agency	22,266
Emergency Medical Services	11,855
Children Services	475,054
ODRC Subsidy Grant-Community Alternatives	112,500
EMA Comprehensive Coop Agreement	7,676
CDBG Critical Infrastructure Grant	49,229
ODRC – Subsidy Grant	225,000
Community Corrections Act Grant	88,932
2019 FEMA	77,222
Sheriff Police Service Contract	10,201
Pike Senior Services Special Levy	17,870
OneOhio Opioid Settlement	616,885
State Issue II Grant	33,858
Total Nonmajor Funds	<u>1,853,029</u>
Total Governmental Activities	<u><u>\$6,004,275</u></u>

**Note 10 – Risk Management**

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the County contracted with the Buckeye Joint-County Self-Insurance Council (a jointly governed organization, see note 20) for liability, auto, and crime insurance. This jointly governed organization is a cost-sharing pool. The program has a \$0 to \$5,000 deductible per occurrence.

Coverages provided by the program are as follows:

	Aggregate	Each Occurrence
General Liability	\$4,000,000	\$2,000,000
Public Officials	4,000,000	2,000,000
Law Enforcement	4,000,000	2,000,000
Automobile – Liability	N/A	2,000,000
Employee Benefits Liability	4,000,000	2,000,000

In addition, the County maintains separate replacement cost insurance on buildings and contents in the amount of \$38,189,849 and other property insurance including \$1,000,000 for extra expenses.

Health insurance was provided by a private carrier, United Health Care, for all claims \$5,000 and above. Claims under \$5,000 are provided through a health reimbursement program administered by a third-party administrator, Peoples Insurance. The County maintains an internal service fund to account for and finance its uninsured risks of loss in this program.

The claims liability of \$31,404 reported in the internal service fund at December 31, 2023, is estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which

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requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the past two years are as follows:

	Beginning Year Balance	Current Year Claims	Claim Payments	Ending Year Balance
2023	\$40,047	\$385,570	(\$394,213)	\$31,404
2022	\$28,913	\$307,026	(\$295,892)	\$40,047

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation. The County pays all elected officials' bonds by statute.

The County has not incurred significant reductions in insurance coverage from coverage in the prior year by major category of risk. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**Note 11 – Capital Assets**

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

	Balance at 1/1/23*	Additions	Deletions	Balance at 12/31/23
<i>Governmental Activities:</i>				
<i>Non-Depreciable Capital Assets:</i>				
Land	\$1,844,261	\$0	\$0	\$1,844,261
Construction in Progress	821,840	671,185	(1,493,025)	0
Total Non-Depreciable Capital Assets	2,666,101	671,185	(1,493,025)	1,844,261
<i>Depreciable Capital Assets:</i>				
Furniture and Fixtures	189,073	0	0	189,073
Buildings and Improvements	16,516,038	1,608,756	(116,072)	18,008,722
Machinery and Equipment	2,687,040	308,700	0	2,995,740
Vehicles	4,077,543	386,274	(198,149)	4,265,668
Infrastructure	64,384,640	3,441,117	(896,236)	66,929,521
Right to Use Leased Assets-Equipment	86,450	0	0	86,450
Total Depreciable Capital Assets	87,940,784	5,744,847	(1,210,457)	92,475,174
<i>Less Accumulated Depreciation:</i>				
Furniture and Fixtures	(166,734)	(5,715)	0	(172,449)
Buildings and Improvements	(11,532,703)	(315,581)	107,691	(11,740,593)
Machinery and Equipment	(1,979,103)	(103,971)	0	(2,083,074)
Vehicles	(2,950,949)	(260,851)	196,390	(3,015,410)
Infrastructure	(34,126,552)	(1,477,697)	891,816	(34,712,433)
Right to Use Leased Assets-Equipment	(11,670)	(12,530)	0	(24,200)
Total Accumulated Depreciation	(50,767,711)	(2,176,345)	1,195,897	(51,748,159)
Net Depreciable Capital Assets	37,173,073	3,568,502	(14,560)	40,727,015
Total Capital Assets, Net	\$39,839,174	\$4,239,687	(\$1,507,585)	\$42,571,276

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\* Amount Restated, See Note 21. Additionally, certain beginning balances were reclassified to separate right to use leased equipment from the machinery and equipment classification.

Of the current year depreciation total of \$2,176,345, \$12,530 is presented on the statement of activities related to amortization of the County's intangible equipment assets, which are included as Intangible Right to Use Leased Assets. Of this amount, \$1,766 is recorded as legislative and executive, \$4,770 as health, and \$5,994 as human services. With the implementation of Governmental Accounting Standards Board Statement No. 87, "Leases", a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Depreciation expense was charged to governmental functions as follows:

General Government:	
Legislative and Executive	\$282,778
Judicial	3,639
Public Safety	195,641
Public Works	1,578,545
Health	44,365
Human Services	30,685
Economic Development and Assistance	40,692
Total Depreciation Expense	<u>\$2,176,345</u>

	Balance at 1/1/23	Additions	Deletions	Balance at 12/31/23
<i>Business-Type Activities:</i>				
<i>Non-Depreciable Capital Assets:</i>				
Land	\$7,000	\$0	\$0	\$7,000
Total Non-Depreciable Capital Assets	7,000	0	0	7,000
<i>Depreciable Capital Assets:</i>				
Buildings and Improvements	326,697	0	0	326,697
Machinery and Equipment	265,770	23,995	0	289,765
Vehicles	112,345	0	0	112,345
Infrastructure	11,893,709	0	0	11,893,709
Total Depreciable Capital Assets	12,598,521	23,995	0	12,622,516
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(145,765)	(7,685)	0	(153,450)
Machinery and Equipment	(111,991)	(15,486)	0	(127,477)
Vehicles	(63,385)	(8,011)	0	(71,396)
Infrastructure	(5,775,586)	(242,987)	0	(6,018,573)
Total Accumulated Depreciation	(6,096,727)	(274,169)	0	(6,370,896)
Net Depreciable Capital Assets	6,501,794	(250,174)	0	6,251,620
Total Capital Assets, Net	\$6,508,794	(\$250,174)	\$0	\$6,258,620

**Note 12 – Defined Benefit Retirement Plans**

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

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

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

**Ohio Public Employees Retirement System (OPERS)**

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

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

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<https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contributions for 2023 was \$1,753,304.

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

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit at any age. In May 2023, the Board extended the eligibility to retire without any actuarial reduction at 34 years of service through July 2028.

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

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

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

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

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

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

The County's contractually required pension contributions to STRS were \$34,981 for 2023.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2022, and the net pension liability for STRS was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability (asset) was



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determined by an actuarial valuation as of the respective measurement dates. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	STRS	Total
Proportionate Share of the Net Pension Liability (Asset):			
Current Measurement Date	0.07360400%	0.00174372%	
Prior Measurement Date	0.07310600%	0.00162691%	
Change in Proportionate Share	<u>0.00049800%</u>	<u>0.00011681%</u>	
Proportionate Share of the:			
Net Pension Liability	\$21,742,654	\$375,509	\$22,118,163
Pension Expense	2,799,721	16,148	2,815,869

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

	OPERS	STRS	Total
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$722,200	\$13,690	\$735,890
Net difference between projected and actual earnings on pension plan investments	6,197,338	0	6,197,338
Changes of assumptions	229,697	30,924	260,621
Changes in proportion and differences between County's contributions and proportionate share of contributions	110,330	15,872	126,202
County contributions subsequent to the measurement date	<u>1,753,304</u>	<u>17,874</u>	<u>1,771,178</u>
Total Deferred Outflows of Resources	<u>\$9,012,869</u>	<u>\$78,360</u>	<u>\$9,091,229</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$0	\$835	\$835
Net difference between projected and actual earnings on pension plan investments	0	1,126	1,126
Changes of assumptions	0	23,278	23,278
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>348,101</u>	<u>3,236</u>	<u>351,337</u>
Total Deferred Inflows of Resources	<u>\$348,101</u>	<u>\$28,475</u>	<u>\$376,576</u>

\$1,771,178 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as an increase to the net pension liability or a reduction to the net pension asset in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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	OPERS	STRS	Total
Year Ending December 31:			
2024	\$636,018	(\$2,365)	\$633,653
2025	1,415,384	(8,833)	1,406,551
2026	1,824,172	41,261	1,865,433
2027	3,035,890	1,948	3,037,838
Total	<u>\$6,911,464</u>	<u>\$32,011</u>	<u>\$6,943,475</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

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

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

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

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

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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:

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

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

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

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
County's proportionate share of the net pension liability	\$32,569,770	\$21,742,654	\$12,736,436

**Actuarial Assumptions – STRS**

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

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

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

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

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

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

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

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

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

**Discount Rate** – The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

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

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$577,450	\$375,509	\$204,722

**Note 13 – Postemployment Benefits**

See note 12 for a description of the net OPEB liability (asset).

**Ohio Public Employees Retirement System (OPERS)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**State Teachers Retirement System (STRS)**

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

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

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

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

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset):			
Current Measurement Date	0.07010800%	0.00174372%	
Prior Measurement Date	<u>0.06929600%</u>	<u>0.00162691%</u>	
Change in Proportionate Share	<u>0.00081200%</u>	<u>0.00011681%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$442,044	\$0	\$442,044
Net OPEB Asset	0	(33,913)	(33,913)
OPEB Gain	(806,068)	(4,088)	(810,156)

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

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	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$0	\$52	\$52
Net difference between projected and actual earnings on OPEB plan investments	877,914	65	877,979
Changes of assumptions	431,755	4,992	436,747
Changes in proportion and differences between County's contributions and proportionate share of contributions	3,509	0	3,509
Total Deferred Outflows of Resources	<u>\$1,313,178</u>	<u>\$5,109</u>	<u>\$1,318,287</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$110,263	\$5,171	\$115,434
Changes of assumptions	35,527	22,377	57,904
Changes in proportion and differences between County contributions and proportionate share of contributions	41,656	2,915	44,571
Total Deferred Inflows of Resources	<u>\$187,446</u>	<u>\$30,463</u>	<u>\$217,909</u>

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

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Year Ending December 31:			
2024	\$111,477	(\$12,275)	\$99,202
2025	316,388	(4,710)	311,678
2026	273,762	(1,834)	271,928
2027	424,105	(2,451)	421,654
2028	0	(2,248)	(2,248)
Thereafter	0	(1,836)	(1,836)
Total	<u>\$1,125,732</u>	<u>(\$25,354)</u>	<u>\$1,100,378</u>

**Actuarial Assumptions – OPERS**

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

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



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

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

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

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

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

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

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
County's proportionate share of the net OPEB liability (asset)	\$1,504,518	\$442,044	(\$434,670)

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

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

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	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
County's proportionate share of the net OPEB liability	\$414,338	\$442,044	\$473,229

**Actuarial Assumptions – STRS**

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

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

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

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

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

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

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

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

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

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**Discount Rate** – The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2023.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB asset	(\$28,703)	(\$33,913)	(\$38,450)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	(\$38,661)	(\$33,913)	(\$28,194)

**Note 14 – Other Employee Benefits**

**Compensated Absences**

County employees earn vacation and sick leave at varying rates depending on length of service and departmental policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County.

Accumulated, unused sick leave is paid up to maximums of 240 to 480 hours, depending on length of service and departmental policy, to employees who retire.

**Note 15 – Deferred Compensation**

Pike County employees and elected officials may participate in either the Ohio Public Employees Deferred Compensation program or the County Commissioners’ Association of Ohio Deferred Compensation Program, both created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available to employees until termination, retirement, death, or in the case of an unforeseeable emergency.

**Note 16 – Long-Term Debt**

The Ohio Public Works Commission (OPWC) loan issued during 2014 consists of money owed to the OPWC for the replacement of Rapp-Montgomery road and bridge repairs. The total loan amount awarded was \$187,500. The loan will be repaid from the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2012 consists of money owed to OPWC for the River Road Emergency Slip Repair project. The total amount awarded was \$24,789. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

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The Ohio Public Works Commission (OPWC) loan issued in 2012 consists of money owed to OPWC for the Bridge Replacement and Salyers. The total amount awarded was \$300,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2003 consists of money owed to the OPWC for replacement of Loy's Run Bridge. The total loan amount awarded was \$90,000. The OPWC loan was paid in full during 2023 from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2004 consists of money owed to the OPWC for the replacement of Coal Dock Road Bridge. The total loan amount awarded was \$125,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2005 consists of money owed to the OPWC for the replacement of Owl Creek Road Bridge. The total loan amount awarded was \$150,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2006 consists of money owed to the OPWC for the replacement of Auerville Road Bridge. The total loan amount awarded was \$292,112. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2004 consists of money owed to the OPWC for replacement of Buck Hollow Road Bridge. The total loan amount awarded was \$37,156. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2009 consists of money owed to the OPWC for the replacement of the Adams Road Bridge. The total loan amount awarded was \$185,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2010 consists of money owed to the OPWC for the replacement of the Little Creek (Mifflin Township) Water Line. The total loan amount awarded was \$225,000. The OPWC loan is payable solely from the gross revenues of the Mifflin Township waterline notes debt service fund.

The Ohio Public Works Commission (OPWC) loan issued during 2008 consists of money owed to the OPWC for the replacement of Morgan's Fork Road Bridge. The total loan amount awarded was \$250,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2013 consists of money owed to the OPWC for the replacement of Multiple Box Culverts. The total loan amount awarded was \$581,695. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2012 consists of money owed to OPWC for the Three Bridge Replacement project. The total amount awarded was \$550,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2015 consists of money owed to the OPWC for the Bridge Replacement and Road Repair. The total amount awarded was \$561,283. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2015 consists of money owed to the OPWC for the Six Bridge Replacements. The total amount awarded was \$465,056. \$165,056 of this loan was forgiven through grant funds. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

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The Ohio Public Works Commission (OPWC) loan issued during 2015 consists of money owed to the OPWC for the Boswell Run Road Bridge Replacement. The total loan amount awarded was \$150,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2017 consists of money owed to the OPWC for Culvert and Road Improvements. The total loan amount awarded was \$233,603. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2016 consists of money owed to the OPWC for the County Wide Paving Project 2016 Phase I. The total loan amount awarded was \$700,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2016 consists of money owed to the OPWC for the County Wide Paving Project 2016 Phase II. The total loan amount awarded was \$1,067,171. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2017 consists of money owed to the OPWC for Five Box Culverts. The total loan amount awarded was \$625,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2019 consists of money owed to the OPWC for Pike County and Pee Pee Township Paving. The total loan amount awarded was \$745,878. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2019 consists of money owed to the OPWC for Pleasant Hill and Stockdale Road Bridge Replacement. The total loan amount awarded was \$450,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan CO15X issued during 2020 was for the purpose of providing funds for the 2020 Pike County Various Infrastructure project. This project is being partially funded by grant funds. The total loan amount awarded was \$1,455,594. As of December 31, 2023, \$1,205,593 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

The Ohio Public Works Commission (OPWC) loan CO20W issued during 2020 was for the purpose of providing funds for the Pike County Spot Paving 2019 project. This project is being partially funded by grant funds. The total loan amount awarded was \$158,113. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan CO13X issued during 2022 was for the purpose of providing funds for the Pike County Spot Paving and Pine Top Box Culvert project. This project is being partially funded by grant funds. The total loan amount awarded was \$150,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan CO19Y issued during 2022 was for the purpose of providing funds for the Pike County Spot Paving and Chenoweth Fork Road Box Culvert project. This project is being partially funded by grant funds. The total loan amount awarded was \$97,857. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan CU48Y issued during 2022 was for the purpose of providing funds for the Newton Township Wynn Road Slip Repair project. This project is being partially funded by grant funds. The total loan amount awarded was \$104,248. As of December 31, 2023, \$66,629 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

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The Ohio Public Works Commission (OPWC) loan CO03Z issued during 2022 was for the purpose of providing funds for the River Road, Buchanan Road, and Clines Chapel Road Improvements project. The total loan amount awarded was \$1,375,000. As of December 31, 2023, \$315,461 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

The Ohio Public Works Commission (OPWC) loan CO02Z issued during 2023 was for the purpose of providing funds for the Spot Paving and California Pike Box Culvert project. The total loan amount awarded was \$355,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan CO08AA issued during 2023 was for the purpose of providing funds for the Various Roads Spot Paving and Prosperity Road Box Culvert project. The total loan amount awarded was \$1,016,840. As of December 31, 2023, \$690,182 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

The Ohio Public Works Commission (OPWC) loan CO15AA issued during 2023 was for the purpose of providing funds for the Left Fork and Hodge Culvert Replacement and Denver Slip Repair project. The total loan amount awarded was \$1,037,099. As of December 31, 2023, \$81,900 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

The USDA loan issued in 2010 was for the purpose of airport hangar construction. The loan was issued in the amount of \$328,000 with an interest rate of 4.00 percent. The loan will be repaid airport hangers debt service fund.

The general obligation bonds issued through United States Department of Agriculture in 2020 were to purchase four dump trucks. The bonds were issued in the amount of \$300,000 at an interest rate of 2.125%. The bonds will be repaid from the engineer USDA dump truck debt service fund.

The revenue bond issued during 2009 was for the purpose of constructing a senior citizens center in the County. The bond was issued in the amount of \$2,200,000 at an interest rate of 3.50%. Tax revenues of the Pike County senior citizen levy have been pledged to repay this bond. Transfers are made from the senior citizen special revenue fund to the Pike County senior center debt service fund for the repayment of this bond.

The revenue bond issued during 2014 was for the purpose of making improvements to the family health center in the County. The bond was issued in the amount of \$850,000 at an interest rate of 3.65%. General revenues of the County along with revenues received from the operation of the Health Center have been pledged to repay this bond. The bond will be repaid from the Pike County health care debt service fund.

The general obligation bonds issued in 2007 were for the purpose of repaying general obligation notes of the County. The bonds were issued in the amount of \$2,910,150, which includes \$405,000 in debt for the Pike County Health District at an interest rate of 4.4325%. Of the \$2,910,150, \$2,887,000 were issued in governmental activity funds with the remaining \$23,150 in business-type activities. The bonds will be repaid from the Pike County consolidated bond retirement debt service fund.

The DD facility bonds issued during 2015 was for the purpose of facility improvement. The bond was issued in the amount of \$122,900 at an interest rate of 3.35%. The bonds will be repaid from the debt service fund.

The Ohio Water Development Authority (OWDA) loan issued during 2012 consists of money owed to the OWDA for North Sewer System project. The total loan amount awarded was \$205,504. The OWDA loan is payable solely from the gross revenues of the sewer fund.

The Ohio Water Development Authority (OWDA) loan issued during 2015 consists of money owed to the OWDA for North Gate Sanitary Sewer Extension project. The total loan amount awarded was \$85,845. The OWDA loan is payable solely from the gross revenues of the sewer fund.

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Compensated absences (sick leave and vacation benefits) and other obligations related to employee compensation are paid from the fund from which the person is paid, with the most significant being the general fund, and the community development, motor vehicle gasoline tax, job and family services, board of developmental disabilities, and children services special revenue funds. The capital leases are paid from the general fund and the board of developmental disabilities, and job and family services special revenue funds.

The County's long-term obligations at year end consisted of the following:

	Outstanding 1/1/23	Issued	Retired	Outstanding 12/31/23	Amount Due in One Year
<b>Governmental Activities</b>					
<i>OPWC Loans</i>					
2014 Rapp-Montgomery Road and Bridges – 0%	\$137,017	\$0	(\$7,212)	\$129,805	\$3,606
2012 River Road Emergency Slip Repair – 0%	17,354	0	(826)	16,528	413
2012 Bridge Replacement & Salyers – 0%	194,445	0	(11,111)	183,334	5,556
2003 Loy's Run – 0%	2,250	0	(2,250)	0	0
2004 Coal Dock Road – 0%	9,375	0	(6,250)	3,125	3,125
2005 Owl Creek Road – 0%	18,750	0	(7,500)	11,250	3,750
2006 County Multi-Bridge Project – 0%	51,119	0	(14,606)	36,513	7,303
2004 Buck Hollow Road – 0%	2,786	0	(1,858)	928	928
2009 Adams Road Bridge – 0%	69,375	0	(9,250)	60,125	4,625
2010 Mifflin Twp Water Line – 0%	142,500	0	(7,500)	135,000	7,500
2008 Morgan's Fork Road – 0%	68,750	0	(12,500)	56,250	6,250
2013 Multiple Box Culvert Replacements – 0%	455,660	0	(19,390)	436,270	9,695
2012 Three Bridge Replacement – 0%	430,834	0	(18,333)	412,501	9,167
2015 Bridge Replacements and Road Repair – 0%	477,090	0	(18,709)	458,381	9,355
2015 Six Bridge Replacements – 0%	265,000	0	(10,000)	255,000	5,000
2015 Boswell Run Road Bridge Replacement – 0%	130,000	0	(5,000)	125,000	2,500
2017 Culvert and Road Improvements – 0%	195,160	0	(9,520)	185,640	4,760
2016 County Wide Paving Project 2016 Phase I – 0%	455,000	0	(70,000)	385,000	35,000
2016 County Wide Paving Project 2016 Phase II – 0%	693,661	0	(106,717)	586,944	53,359
2017 Five Box Culverts – 0%	583,334	0	(20,833)	562,501	10,417
2019 Pike County & Pee Pee Twp Paving – 0%	559,408	0	(74,588)	484,820	37,294
2019 Pleasant Hill & Stockdale Road Bridge Replacement – 0%	442,283	7,717	(15,000)	435,000	7,500
2020 Pike County Various Infrastructure – 0%	561,878	643,715	0	1,205,593	0
2020 Pike County Spot Paving – 0%	133,365	0	(14,818)	118,547	7,409
2022 Pike County Spot Paving & Pine Top Box Culvert – 0%	129,782	12,305	(10,930)	131,157	5,465
2022 Pike County Spot Paving & Chenoweth Fork Box Culvert – 0%	97,857	0	(7,527)	90,330	3,764
2022 Newton Township Wynn Road Slip Repair – 0%	2,100	64,529	0	66,629	0
2022 River Road, Buchanan Road & Clines Chapel Road Improvements – 0%	16,500	298,961	0	315,461	0
2023 Spot Paving & California Pike Box Culvert – 0%	0	355,000	0	355,000	13,654
2023 Various Roads Spot Paving & Prosperity Road Box Culvert – 0%	0	690,182	0	690,182	0



**Pike County**  
*Notes to the Basic Financial Statements*  
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	Outstanding 1/1/23	Issued	Retired	Outstanding 12/31/23	Amount Due in One Year
<b>2023 Left Fork &amp; Hodge Culvert Replacement &amp; Denver Slip Repair – 0%</b>	\$0	\$81,900	\$0	\$81,900	\$0
<i>Total OPWC Loans</i>	6,342,633	2,154,309	(482,228)	8,014,714	257,395
 2010 Airport Hangar Loan – 4%	240,100	0	(9,300)	230,800	9,800
2020 Dump Trucks Bonds – 2.125%	227,410	0	(28,400)	199,010	29,000
<i>Total USDA Loans/Bonds</i>	467,510	0	(37,700)	429,810	38,800
 <i>Revenue Bonds</i>					
2009 Senior Center – 3.5%	946,500	0	(121,700)	824,800	125,900
2014 Health Complex – 3.65%	580,700	0	(39,500)	541,200	40,800
<i>Total Revenue Bonds</i>	1,527,200	0	(161,200)	1,366,000	166,700
 <i>Other Bonds</i>					
2007 General Obligation – 4.4325%	573,000	0	(135,000)	438,000	141,000
2015 DD Facility – 3.35%	41,200	0	(13,300)	27,900	13,700
<i>Total Other Bonds</i>	614,200	0	(148,300)	465,900	154,700
 <i>Other Long-Term Obligations</i>					
Compensated Absences	1,175,431	787,517	(914,004)	1,048,944	796,479
Leases & Financed Purchases	80,979	17,200	(69,240)	28,939	11,764
 <i>Net Pension Liability</i>					
OPERS	6,296,913	15,074,493	0	21,371,406	0
STRS	361,664	13,845	0	375,509	0
<i>Total Net Pension Liability</i>	6,658,577	15,088,338	0	21,746,915	0
 <i>Net OPEB Liability</i>					
OPERS	0	437,625	0	437,625	0
<i>Total Governmental Activities</i>	\$16,866,530	\$18,484,989	(\$1,812,672)	\$33,538,847	\$1,425,838
	Outstanding 1/1/23	Issued	Retired	Outstanding 12/31/23	Amount Due in One Year
<b>Business-Type Activities</b>					
<i>OWDA Loans</i>					
2012 North Sewer System – 1.5%	\$150,089	\$0	(\$9,492)	\$140,597	\$3,211
2015 North Gate Sanitary Sewer Extension – 1.5%	65,291	0	(3,906)	61,385	1,322
<i>Total OWDA Loans</i>	215,380	0	(13,398)	201,982	4,533
 <i>Other Long-Term Obligations</i>					
Compensated Absences	20,727	8,508	(10,017)	19,218	6,877
 <i>Net Pension Liability</i>					
OPERS	63,605	307,643	0	371,248	0
 <i>Net OPEB Liability</i>					
OPERS	0	4,419	0	4,419	0
<i>Total Business-Type Activities</i>	\$299,712	\$320,570	(\$23,415)	\$596,867	\$11,410

**Pike County**  
*Notes to the Basic Financial Statements*  
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Year Ended	OPWC Loans	USDA Loans/Bonds		Revenue Bonds	
	Principal	Principal	Interest	Principal	Interest
2024	\$257,395	\$38,800	\$13,843	\$166,700	\$48,951
2025	499,179	39,700	12,825	172,700	42,980
2026	491,677	40,800	11,791	178,800	36,850
2027	477,073	41,900	10,727	185,100	30,504
2028	477,073	43,000	9,637	191,700	23,972
2029-2033	1,342,250	111,810	32,753	412,500	45,968
2034-2038	858,883	78,000	4,227	58,500	2,165
2039-2043	658,031	35,800	2,121	0	0
2044-2048	461,302	0	0	0	0
2049-2053	132,086	0	0	0	0
Total	\$5,654,949	\$429,810	\$97,924	\$1,366,000	\$231,390

Year Ended	General Obligation Bonds		DD Facility Bonds		Business-Type Activities OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$141,000	\$20,947	\$13,700	\$950	\$4,533	\$1,514
2025	148,000	14,204	14,200	482	9,168	2,928
2026	149,000	7,128	0	0	9,306	2,790
2027	0	0	0	0	9,446	2,649
2028	0	0	0	0	9,589	2,507
2029-2033	0	0	0	0	50,154	10,326
2034-2038	0	0	0	0	54,044	6,435
2039-2043	0	0	0	0	53,974	2,240
2044	0	0	0	0	1,768	13
Total	\$438,000	\$42,279	\$27,900	\$1,432	\$201,982	\$31,402

Amortization schedules are not yet available for certain OPWC loans, so the above amortization tables will not agree to the debt obligation tables shown on pages 66 through 67.

The Rural Development bonds and loans, OPWC loans, and general obligation bonds are subject to default stipulations. According to the Rural Development bond/loan agreements, if any payments of principal or accrued interest on the bonds or the performance of any covenant or agreement contained within the bond agreement, Rural Development, at its option, may a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the case of default, and/or c) take possession of the facility, repair, maintain, and operate or rent it. According to the OPWC loan agreements, if the County fails to make any payment due and is not corrected within thirty days, the amount in default shall bear interest thereafter at the default rate of 8 percent per annum from the date of default until the date of payment. In addition, the entire principal remaining unpaid, together with accrued interest and other charges shall, at OPWC's option, become immediately due and payment. According to the general obligation bond agreements, whenever any event of default shall have occurred and be continuing, the issuer, credit facility provider, or trustee shall, in addition to any other remedies within the agreement or by law provide, have the right, without any further demand or notice, to take such steps and exercise such remedies as shall be directed by the administrator or the credit facility provider, including, without limitation, one or more of the following: a) Take any action permitted or required pursuant to the indenture; b) Tendering the bonds to the County for immediate purchase; and c) Take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the agreement or to enforce any other of its or their rights under the agreement.

The County's legal margin as of December 31, 2023 is \$2,354,595.

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

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**Leases Payable**

During 2023, the County entered into an agreement to lease a copier. In previous years, the County has entered into various agreements to lease equipment. Due to the implementation of GASB 87, this lease has met the criteria of a lease thus requiring it to be recorded by the County. Lease payments are reflected as debt service expenditures in the general fund and the board of developmental disabilities and job and family services special revenue funds.

A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest
2024	\$11,764	\$1,336
2025	5,519	846
2026	5,147	569
2027	3,641	325
2028	2,868	108
Total	<u>\$28,939</u>	<u>\$3,184</u>

**Financed Purchases**

In October 2022, the County entered into a financed purchase agreement with Ford Motor Credit Company, Inc. The two-party agreement was a contract to lease a vehicle to the County. Upon final payment of all scheduled lease payments, ownership reverts to the County. This agreement meets the criteria of a financed purchase which is defined as a financed purchase which transfers ownership to the lessee. Financed purchase payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. The financed purchase was paid in full during 2023.

**Conduit Debt Obligation**

The County has served as the issuer of \$10,500,000 in adjustable rate health care facilities revenue refunding bonds. The proceeds were used by a private corporation to finance and refinance the acquisition, construction, and equipping of certain improvements to existing facilities and will provide hospital facilities. The revenue bonds do not constitute an indebtedness of the County. Neither is the full faith and credit to taxing power of the County pledged to make repayment. At June 30, 2023 (the latest information available), \$8,416,408 was still outstanding.

**Pike County**  
*Notes to the Basic Financial Statements*  
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**Note 17 – Interfund Transactions**

**Interfund Transfers**

For the year ended December 31, 2023, the County made the following transfers between funds:

	Transfers In	Transfers Out
<i>Major Governmental Funds</i>		
General	\$0	\$1,129,848
Motor Vehicle Gasoline Tax	250,000	0
Board of Developmental Disabilities Grants		14,699
<i>Nonmajor Governmental Funds</i>		
Dog and Kennel	112,000	0
Job and Family Services	52,240	0
Child Support	5,800	0
Electronic Monitoring House Arrest	35,500	0
Justice Reinvestment & Incentive	3,987	0
Emergency Medical Services Levy	480,000	0
Mediation Fund- Common Pleas	3,387	0
Senior Citizens Levy	0	154,828
Airport Improvement	30,000	0
Pike County Consolidated Bond Retirement	106,934	0
Pike County Senior Citizens Debt Service	154,828	0
Debt Service	14,699	0
<i>Total Nonmajor Governmental Funds</i>	999,375	154,828
Internal Service Fund	50,000	0
<i>Total All Funds</i>	<u>\$1,299,375</u>	<u>\$1,299,375</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. These transfers comply with all applicable laws.

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

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**Interfund Balances**

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

	Interfund Receivable	Interfund Payable
<i>Major Governmental Fund</i>		
General Fund	\$516,844	\$0
<i>Nonmajor Governmental Funds</i>		
Pike County Solid Waste	85,400	0
Electronic Monitor House Arrest	0	73,810
EPA Recycle Grant	0	85,400
Pike County Sheriff Body Worn Cameras	0	67,890
State Issue II Grants	0	375,144
<i>Total Nonmajor Governmental Funds</i>	<u>85,400</u>	<u>602,244</u>
<i>Total All Funds</i>	<u>\$602,244</u>	<u>\$602,244</u>

**Note 18 – Jointly Governed Organizations**

**Buckeye Joint-County Self-Insurance Council**

The Buckeye Joint-County Self Insurance Council is a jointly governed organization that serves Athens, Hocking, Jackson, Meigs, Monroe, Morgan, Noble, Perry, Pike, Vinton, and Washington Counties and was formed as an insurance purchasing pool for the purpose of providing general liability, law enforcement, professional, and fleet insurance. Member counties provide operating resources to the organization base on actuarially determined rates. The degree of control exercised by any participating government is limited to its representation on the Board. Pike County does not have any ongoing interest or responsibility in the organization.

**Ohio Government Risk Management Plan**

The Buckeye Joint-County Self Insurance Council belongs to the Ohio Government Risk Management Plan; an unincorporated non-profit association with approximately 500 public entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services. Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine, and other coverages, modified for each member's needs. The Plan pays judgments, settlements, and other expenses resulting from covered claims that exceed the member's deductible. The Plan uses conventional insurance coverages and reinsures these coverages. The Plan retains a small portion of the risk as identified in the Plan's financial statements presented on the website at [www.ohioplan.com](http://www.ohioplan.com). The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

**Paint Valley Mental Health Alcohol and Drug Addiction Board of Pike, Fayette, Highland, Pickaway, and Ross Counties**

The Paint Valley Mental Health Alcohol and Drug Addiction Board of Pike, Fayette, Highland, Pickaway, and Ross Counties is a jointly governed organization that is responsible for developing, coordinating, modernizing, funding, monitoring, and evaluating a community-based mental health and substance abuse program. The Board consists of eighteen members. Four members are appointed by the Director of the Ohio Department of Mental Health and four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services. The remaining members are appointed by the County Commissioners of Pike, Fayette, Highland, Pickaway, and Ross Counties in the same proportion as each County's population bears to the total population of the five counties combined. The Board receives revenue from the participating

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

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counties and receives federal and state funding through grant monies which are applied for and received by the Board of Trustees.

Pike County cannot significantly influence operations of the Board, who has sole budgetary authority and controls surpluses and deficits. Pike County has no ongoing financial interest or responsibility. During 2023, Pike County contributed \$436,800 to the program.

**Hocking Valley Community Residential Center**

Hocking Valley Community Residential Center is a jointly governed organization created to construct and operate the Center for the rehabilitation of juvenile felony offenders. The multi-county agreement members are Pike, Hocking, Fairfield, Washington, Lawrence, Meigs, Jackson, Athens, Gallia, Vinton, and Scioto Counties. The Juvenile Judge of each county is the respective county's representative to the Board of Advisors which in turns selects the superintendent of the Center.

The participating counties shall not be obligated to furnish funds for the construction or operation of the Center. All funds will be from the State of Ohio. Pike County does not have financial interest or responsibility.

**South Central Regional Juvenile Detention Center**

The South Central Regional Juvenile Detention Center is a jointly governed organization that was created as a holding place for juvenile offenders waiting for disposition by the respective juvenile courts of the member counties. The current members include Pike, Ross, Jackson, Fayette, Vinton, and Highland Counties. The Center's Board consists of one member from each participating county that is appointed by the Juvenile Court Judge or a County Commissioner from each county. The joint Board selects the superintendent as the Center's administrator.

The Center's revenue is from per diem charges for inmates to the respective counties and a percentage of the county tax base to the total tax base. Ross County is the fiscal agent of the Center. Pike County does not have any financial interest or responsibility. During 2023, Pike County contributed \$204,765 to the Center.

**Ohio Valley Resource Conservation and Development Area, Inc.**

The Ohio Valley Resource Conservation and Development Area, Inc. is a jointly governed organization that is operated as a non-profit corporation. The Ohio Valley Resource Conservation and Development Area, Inc. was created to aid regional planning to participating counties. Pike County, along with Ross, Vinton, Highland, Brown, Adams, Scioto, Jackson, Gallia, and Lawrence Counties, each appoints three members to the thirty-member Council. The Council selects an administrator to oversee operations.

Each county contributes \$100 annually; other revenues are from USDA grants. Pike County does not have any financial interest or responsibility nor can it significantly influence the management of the Center.

**Job Training Partnership Consortium**

The Governor has designated Pike, Scioto, Adams, Jackson, Highland, and Brown Counties as a Service Delivery Area. A Job Training Partnership Agreement between Pike, Scioto, Adams, Jackson, Highland, and Brown Counties Consortium and the Private Industry Council (PIC) was entered into pursuant to the provisions of the Job Training Partnership Act of 1982 (the Act) Public Law 97-300. The objective of the JTPA is to provide job training and related assistance to economically disadvantaged individuals and others who face significant employment barriers. Funds for the operations of the JTPA are received through grant revenue from the State of Ohio. Scioto County has been designated by the PIC, pursuant to Section 103 (b) (1) (B) of the Act, to serve as the grant recipient of all JTPA funds and any other federal, state, or private funds which it is legally empowered to accept on behalf of the PIC.

**Pike County**  
*Notes to the Basic Financial Statements*  
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Each Board of County Commissioners must choose a Chief Elected Official (CEO) to represent the County in the JTPA. The CEO is responsible for approving job training plans, grants, policies, and operating guidelines for the administration of the programs, delegation of duties for the programs, and appointment/termination of the Director of the Job Training Partnership Office. Pike County does not have any financial interest or responsibility.

**Private Industry Council (PIC)**

The PIC is a jointly governed organization consisting of representatives from the private and public sectors of Pike, Scioto, Adams, Jackson, and Brown Counties appointed by the County Commissioners from each county. The Board of Trustees is the governing board of the PIC. The Board of Trustees elects a President, Vice President, Secretary, Treasurer, and an Executive Director. The President may execute, without limitation, contracts, bonds, notes, debentures, deeds, mortgages, and other obligations in the name of the PIC. The County does not have any financial interest or responsibility. The Private Industry Council received no contributions from the County during 2023.

**Southern Ohio Development Initiative**

Southern Ohio Development Initiative was created with assistance from the U.S. Department of Energy to assist in the development of industrial areas to offset the potential downsizing and privatization of the Uranium Enrichment Plant in Piketon, Ohio. It is a legally separate not-for-profit corporation with representatives from each of the counties impacted by the events at the Piketon Plant. The Counties involved in this initiative are Pike, Ross, Scioto, and Jackson Counties. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The Initiative received no contributions from the County during 2023.

**Southern Ohio Council of Governments**

The Pike County Board of Developmental Disabilities is a member of the Southern Ohio Council of Governments (the Council), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a fifteen-member board with each participating County represented by its Director of its Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Pike County Board of Developmental Disabilities' supportive living program monies. The County had a \$15,723 balance on hand with the Council which includes investments at cost. Financial statements can be obtained by writing to the Southern Ohio Council of Governments, VA Medical Center, Building 8, 17273 State Route 104, Chillicothe, Ohio 45601.

**Scioto Valley-Piketon Area Council of Governments**

In 2019, the Scioto Valley-Piketon Area Council of Governments (COG) was established as a regional council of governments through a resolution voted on by members of the following entities: Pike County, Scioto Valley Local School District, the Village of Piketon, Seal Township, and Scioto Township. The Council was formed to create one voice among the affected local government jurisdictions to ensure the needs and concerns of the community directly impacted by chronic chemical and radiological contamination released into the water, air, and soil from operations, demolition activities, and onsite waste disposal at the U.S. Department of Energy's Portsmouth Site are incorporated into state and federal government decisions. The Council was funded through membership fees and a grant from the U.S. Department of Energy in 2023. During 2023, the County contributed \$41,736 to the COG. Financial statements can be obtained by writing to the Scioto Valley-Piketon Area Council of Governments, 411 South West Street, Piketon, Ohio 45661.

**Pike County**  
*Notes to the Basic Financial Statements*  
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**Note 19 – Related Organizations**

**Garnet A. Wilson Library of Pike County**

The Garnet A. Wilson Library of Pike County is a political subdivision that is governed by a board of trustees appointed by the County Commissioners. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The Library received no contributions from the County during 2023.

**Pike Metropolitan Housing Authority**

The Pike Metropolitan Housing Authority is a political subdivision that consists of five members. One member is appointed by the probate court, one member by the court of common pleas, one member by the board of county commissioners, and two members by the chief executive officer of the most populous city included in the district, in accordance with the last preceding federal census. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The Authority received \$6,786 from the County during 2023.

**Pike Adult Activities Center**

The Pike Adult Activities Center, dba Canal Industries, is a nonprofit organization that is governed by a self-appointed Board. The Pike Adult Activities Center provides services to adults in Pike County and has a contract with Pike County Board of Developmental Disabilities to provide certain services to these adults. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The amount of payments made by the County to the Pike Adult Activities Center was \$101,369 in 2023 for goods and services plus the annual contract amount. Canal Industries was disbanded as of August 31, 2023.

**Note 20 – Contingent Liabilities**

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

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

**Note 21 – Restatement of Beginning Balances**

The County's practice is to close out all outstanding encumbrances at year-end and to reappropriate available funds in the subsequent year. In the prior year, the County generated year-end reports that were used in the compilation of its annual financial report prior to its processing the close-out of encumbrances. As a result, encumbrances were reported as budgetary basis expenditures on the budgetary comparison statements in the prior year, which yielded lower unencumbered fund balances for the presented funds than was appropriate. These errors were corrected, resulting in the following effects to previously reported fund in the budgetary comparison statements.

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities
Budgetary Basis Fund Balances, As Reported, December 31, 2022	\$3,388,724	\$1,361,736	\$3,952,935
Restatements	899,796	823,583	201,316
Budgetary Basis Fund Balances, As Restated, January 1, 2023	<u>\$4,288,520</u>	<u>\$2,185,319</u>	<u>\$4,154,251</u>



**Pike County**  
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In the prior year, the County decided to replace the grandstand at the Pike County fairgrounds. The County provided \$1,000,000 to the Pike County Agricultural Society to fund this project. The Agricultural Society administered this program on the County's behalf. Previously, these funds were reported as expenditures/expenses to the Agricultural Society, but it was subsequently determined that this project should have been recorded by the County. Beginning fund balance/net position was restated accordingly. This restatement had the following effect on fund balance/net position:

	General	Governmental Activities
Fund Balance/Net Position, As Reported, December 31, 2022	\$7,989,999	\$44,775,689
<i>Restatements</i>		
Cash with Fiscal Agents	236,200	236,200
Construction in Progress	0	763,800
Fund Balance/Net Position, As Restated, January 1, 2023	<u>\$8,226,199</u>	<u>\$45,775,689</u>

**Note 22 – Fund Balances**

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

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>					
Inventory	\$16,600	\$479,786	\$0	\$2,262	\$498,648
Prepaid Items	86,031	8,953	19,757	58,864	173,605
Unclaimed Monies	756,359	0	0	0	756,359
Other Purposes	12,680	0	0	0	12,680
<i>Total Nonspendable</i>	<u>871,670</u>	<u>488,739</u>	<u>19,757</u>	<u>61,126</u>	<u>1,441,292</u>
<i>Restricted</i>					
Loans	0	0	0	397,942	397,942
Capital Projects	0	0	0	481,132	481,132
Debt Service	0	0	0	201,260	201,260
Community Development	0	0	0	797,099	797,099
Law Enforcement	0	0	0	494,626	494,626
Children Services	0	0	0	2,566,586	2,566,586
Child Support Enforcement	0	0	0	1,043,498	1,043,498
Motor Vehicle Gasoline Tax	0	2,714,915	0	0	2,714,915
Court Services	0	0	0	656,633	656,633
Senior Citizens	0	0	0	1,188,731	1,188,731
Board of Developmental Disabilities	0	0	3,491,143	0	3,491,143
Real Estate Assessment	0	0	0	240,513	240,513
Other Federal and State Programs	0	0	0	1,464,488	1,464,488
<i>Total Restricted</i>	<u>0</u>	<u>2,714,915</u>	<u>3,491,143</u>	<u>9,532,508</u>	<u>15,738,566</u>
<i>Unassigned (Deficit)</i>	<u>7,179,929</u>	<u>0</u>	<u>0</u>	<u>(671,232)</u>	<u>6,508,697</u>
<i>Total Fund Balances</i>	<u>\$8,051,599</u>	<u>\$3,203,654</u>	<u>\$3,510,900</u>	<u>\$8,922,402</u>	<u>\$23,688,555</u>

**Note 23 – Discretely Presented Component Unit**

As indicated in note 1, the following disclosures are made on behalf of the Pike County Land Reutilization Corporation.

**Note 23A – Description of the Reporting Entity**

The Pike County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on July 23, 2018 when the Pike County Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to strengthen the neighborhoods in Pike County (the County) by returning vacant and abandoned properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five to nine members including two County Commissioners, the County Treasurer, one representative from the municipal corporation with the largest population, and one representative from a township with a population of over 10,000. The Corporation is classified as a component unit of Pike County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statements No. 39 and 61.

The Corporation is dedicated to strategically acquiring tax foreclosed property and other foreclosed property from the Board of Revision, Sheriff's sales, bank owned real estate, County Fiscal Officer, third parties, and through donations. The Corporation then strives to put the properties back to productive use.

The financial statements include all agencies, divisions, and operations for which the Corporation is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's governing board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government/component unit. On this basis, no governmental organization other than the Corporation itself is included in the financial reporting entity.

**Note 23B – Summary of Significant Accounting Policies**

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Corporation's significant accounting policies are described below.

**Basis of Presentation**

The Corporation's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities.

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Corporation that are governmental and those that are business type. The Corporation, however, does not have any business-type activities.

The statement of net position presents the financial condition of the governmental activities of the Corporation at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or

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

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function of the Corporation's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Corporation.

**Measurement Focus**

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operations of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide statements are prepared using the accrual basis of accounting.

Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the Corporation receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or when use is first permitted; matching requirements, in which the Corporation must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Corporation on a reimbursement basis.

Expenses/Expenditures

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

**Budgetary Process**

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for governmental entities.

**Federal Income Tax**

The Corporation is exempt from federal income tax under Section 115(1) of the Internal Revenue Code.

**Cash and Cash Equivalents**

All monies received by the Corporation are deposited in a demand deposit account. The Corporation had no investments during the year or at the end of the year.

### **Assets Held for Development**

Assets held for development represents properties purchased by or donated to the Corporation. These properties are valued based upon acquisition cost plus any costs of maintenance, rehabilitation, or demolition costs. The Corporation holds the properties until they are either sold to individuals who rehabilitate them, or the structure on the properties is demolished and the property is transferred to a new owner.

### **Accrued Liabilities**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

### **Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, granters, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2023. The Corporation applies restricted resources first when an expense is incurred for which restricted and unrestricted amounts are available.

### **Estimates**

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

### **Note 23C – Deposits**

At December 31, 2023, \$95,272 of the Corporation's bank balance of \$95,272 was covered by the Federal Deposit Insurance Corporation (FDIC).

Protection of the Corporation's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) of by the financial institution's 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.

### **Note 23D – Transactions with Pike County**

In 2023, the Pike County Commissioners provided contributions totaling \$17,530 to the Corporation to satisfy outstanding liens on the Greenbaum Building.

### **Note 23E - Contingent Liabilities**

#### **Litigation**

The Corporation is not currently a party to any legal proceeding.

#### **Grants**

The Corporation received financial assistance from state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the

**Pike County**  
*Notes to the Basic Financial Statements*  
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general fund. However, the effect of any such disallowed claims on the overall financial position of the Corporation at December 31, 2023, if applicable, cannot be determined at this time.

**Note 24 – Subsequent Events**

On April 22, 2024, the County issued a USDA Loan in the amount of \$350,000 for the purpose of purchasing a Dump Truck. The loan was issued at an interest rate of 2.125% and will mature in 2034.

In August 2024, the County purchased the property at 501 E. Emmitt Avenue in the amount of \$2,755,571. The property is to be used to house the departments currently located in the Pike County Courthouse.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Pension</b>										
County's proportion of the net pension liability	0.0611830%	0.0611830%	0.0781520%	0.0821170%	0.0892060%	0.0860910%	0.0763350%	0.0772210%	0.0731060%	0.0736040%
County's proportionate share of the net pension liability	\$7,212,679	\$7,379,353	\$13,536,912	\$18,647,375	\$13,994,692	\$23,578,580	\$15,088,131	\$11,434,749	\$6,360,518	\$21,742,654
County's covered payroll	\$10,615,570	\$7,810,198	\$8,441,153	\$8,248,467	\$11,698,365	\$10,810,217	\$10,554,527	\$10,856,595	\$10,629,041	\$9,232,977
County's proportionate share of the net pension liability as a percentage of its covered payroll	67.94%	94.48%	160.37%	226.07%	119.63%	218.11%	142.95%	105.33%	59.84%	235.49%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%	84.66%	74.70%	82.17%	86.88%	92.62%	75.74%
<b>OPEB (1)</b>										
County's proportion of the net OPEB liability (asset)	N/A	N/A	N/A	0.0782869%	0.0844100%	0.0813100%	0.0722260%	0.0731070%	0.0692960%	0.0701080%
County's proportionate share of the net OPEB liability (asset)	N/A	N/A	N/A	\$7,907,243	\$9,166,304	\$10,600,905	\$9,976,287	(\$1,302,460)	(\$2,170,457)	\$442,044
County's covered payroll	N/A	N/A	N/A	\$8,248,467	\$11,698,365	\$10,810,217	\$10,554,527	\$10,856,595	\$10,629,041	\$9,232,977
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	N/A	N/A	N/A	95.86%	78.36%	98.06%	94.52%	-12.00%	-20.42%	4.79%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	54.05%	54.14%	46.33%	47.80%	115.57%	128.23%	94.79%

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Pension</b>										
County's proportion of the net pension liability	0.002078860%	0.002253610%	0.002126760%	0.002089000%	0.001719920%	0.001676910%	0.001609670%	0.001613197%	0.001626910%	0.001743720%
County's proportionate share of the net pension liability	\$505,651	\$622,832	\$711,891	\$496,246	\$378,172	\$370,839	\$389,483	\$206,262	\$361,664	\$375,509
County's covered payroll	\$230,200	\$253,029	\$241,557	\$232,564	\$217,900	\$189,907	\$197,536	\$195,314	\$205,321	\$216,286
County's proportionate share of the net pension liability as a percentage of its covered payroll	219.66%	246.15%	294.71%	213.38%	173.55%	195.27%	197.17%	105.61%	176.15%	173.62%
Plan fiduciary net position as a percentage of the total pension liability	74.71%	72.09%	66.80%	75.30%	77.30%	77.40%	75.50%	87.80%	78.90%	80.00%
<b>OPEB (1)</b>										
County's proportion of the net OPEB liability (asset)	N/A	N/A	N/A	0.002089000%	0.001719920%	0.001676910%	0.001609670%	0.001613197%	0.001626910%	0.001743720%
County's proportionate share of the net OPEB (asset)	N/A	N/A	N/A	\$0	(\$27,637)	(\$27,774)	(\$28,290)	(\$34,013)	(\$42,126)	(\$33,913)
County's proportionate share of the net OPEB liability (asset)	N/A	N/A	N/A	\$81,505	\$0	\$0	\$0	\$0	\$0	\$0
County's covered payroll	N/A	N/A	N/A	\$232,564	\$217,900	\$189,907	\$197,536	\$195,314	\$205,321	\$216,286
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	N/A	N/A	N/A	35.05%	-12.68%	-14.63%	-14.32%	-17.41%	-20.52%	-15.68%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	47.11%	176.00%	174.74%	182.10%	174.70%	230.70%	168.50%

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

(1) Information not available prior to 2017.

See accompanying notes to the required supplementary information.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Ohio Public Employees Retirement System-Local Government</b>										
Contractually required contribution - pension	\$852,532	\$897,804	\$838,310	\$1,338,816	\$1,348,819	\$1,349,424	\$1,348,527	\$1,312,870	\$1,117,449	\$1,562,283
Contractually required contribution - OPEB	142,089	149,634	139,718	102,986	0	0	0	0	0	0
Contractually required contribution - total	994,621	1,047,438	978,028	1,441,802	1,348,819	1,349,424	1,348,527	1,312,870	1,117,449	1,562,283
Contributions in relation to the contractually required contribution	994,621	1,047,438	978,028	1,441,802	1,348,819	1,349,424	1,348,527	1,312,870	1,117,449	1,562,283
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
County's covered payroll	\$7,104,436	\$7,481,700	\$6,985,914	\$10,298,586	\$9,634,421	\$9,638,743	\$9,632,336	\$9,377,643	\$7,981,779	\$11,159,164
Contributions as a percentage of covered payroll - pension	12.00%	12.00%	12.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	2.00%	2.00%	2.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
<b>Ohio Public Employees Retirement System-Law Enforcement</b>										
Contractually required contribution - pension	\$113,628	\$154,474	\$203,271	\$239,362	\$212,819	\$165,757	\$221,591	\$226,503	\$226,467	\$191,021
Contractually required contribution - OPEB	14,115	19,187	25,251	13,998	0	0	0	0	0	0
Contractually required contribution - total	127,743	173,661	228,522	253,360	212,819	165,757	221,591	226,503	226,467	191,021
Contributions in relation to the contractually required contribution	127,743	173,661	228,522	253,360	212,819	165,757	221,591	226,503	226,467	191,021
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
County's covered payroll	\$705,762	\$959,453	\$1,262,552	\$1,399,779	\$1,175,796	\$915,785	\$1,224,260	\$1,251,398	\$1,251,199	\$1,055,365
Contributions as a percentage of covered payroll - pension	16.10%	16.10%	16.10%	17.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%
Contributions as a percentage of covered payroll - OPEB	2.00%	2.00%	2.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%
<b>State Teachers Retirement System</b>										
Contractually required contribution - pension	\$32,894	\$33,818	\$32,559	\$30,506	\$26,587	\$27,655	\$27,344	\$28,745	\$30,280	\$34,981
Contractually required contribution - OPEB	2,530	0	0	0	0	0	0	0	0	0
Contractually required contribution - total	35,424	33,818	32,559	30,506	26,587	27,655	27,344	28,745	30,280	34,981
Contributions in relation to the contractually required contribution	35,424	33,818	32,559	30,506	26,587	27,655	27,344	28,745	30,280	34,981
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
County's covered payroll	\$253,029	\$241,557	\$232,564	\$217,900	\$189,907	\$197,536	\$195,314	\$205,321	\$216,286	\$249,864
Contributions as a percentage of covered payroll - pension	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.



**Note 1 – Ohio Public Employees Retirement System**

**Pension**

Changes in benefit terms

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

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

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

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

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

There were no significant changes in benefit terms for 2023.

Changes in assumptions

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

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

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

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

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

There were no significant changes in assumptions for 2023.

**OPEB**

Changes in benefit terms

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

Changes in assumptions

Changes in assumptions for 2018 were as follows:

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

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

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

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

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

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

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

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

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

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

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

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

**Note 2 – State Teachers Retirement System**

**Pension**

**Changes in Assumptions**

There were no changes in assumptions for 2023.

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

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

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

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

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

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

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

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

## **OPEB**

### Changes in Assumptions

There were no changes in assumptions for 2023.

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

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

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

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

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

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

Changes in Benefit Terms

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

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

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

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

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

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

**Pike County**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023

<b>Federal Grantor</b>	<b>Assistance</b>	<b>Pass Through</b>	<b>Passed</b>	<b>Total</b>
<i>Pass-Through Grantor</i>	<i>Listing</i>	<i>Entity Identifying</i>	<i>Through to</i>	<i>Federal</i>
<b>Program/Cluster Title</b>	<b>Number</b>	<b>Number</b>	<b>Subrecipients</b>	<b>Expenditures</b>
<b>United States Department of Agriculture</b>				
<i>Passed Through Ohio Department of Job and Family Services:</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6978	\$0	\$101,831
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6978	0	32,615
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2425-11-6187	0	105,842
Total SNAP Cluster			0	240,288
<i>Direct:</i>				
Emergency Watershed Protection Program-Floodplain Easements-Disaster Relief Appropriations Act	10.923	N	0	8,550
<b>Total United States Department of Agriculture</b>			<b>0</b>	<b>248,838</b>
<b>United States Department of Housing and Urban Development</b>				
<i>Passed Through Ohio Department of Development:</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-F-21-1CI-1	0	2,317
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-C-21-1CI-1	0	84,490
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			0	86,807
Home Investment Partnerships Program	14.239	B-C-21-1CI-2	0	44,750
Home Investment Partnerships Program	14.239	B-X-20-1CI-1	0	280,045
Total Home Investment Partnerships Program			0	324,795
<b>Total United States Department of Housing and Urban Development</b>			<b>0</b>	<b>411,602</b>
<b>United States Department of Transportation</b>				
<i>Direct:</i>				
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	N	0	362,655
<i>Passed Through Ohio Department of Transportation:</i>				
Highway Planning and Construction - Turkey Run Road Bridge PIK-CR44-0.16	20.205	115499	0	41,074
Highway Planning and Construction - Beatty Road Bridge PIK-TR428-0.04	20.205	117984	0	14,642
Highway Planning and Construction - Watson Slip PIK-CR50-02.55 OH18-01	20.205	108464	0	6,486
Highway Planning and Construction - Watson Slip PIK-CR50-03.32 OH16-01	20.205	108129	0	1,954
Total Highway Planning and Construction			0	64,156
<b>Total United States Department of Transportation</b>			<b>0</b>	<b>426,811</b>
<b>United States Department of the Treasury</b>				
<i>Passed through the Ohio Department of Job and Family Services:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	G-2223-11-6978	0	27,941
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	G-2425-11-6187	0	41,983
<i>Passed through the Ohio Department of Criminal Justice:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2022-AR-LEP-945	0	179,377
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			0	249,301
<b>Total United States Department of the Treasury</b>			<b>0</b>	<b>249,301</b>
<b>United States Department of Energy</b>				
<i>Direct:</i>				
Environmental Remediation and Waste Processing and Disposal	81.104	N	0	215,105
<b>Total United States Department of Energy</b>			<b>0</b>	<b>215,105</b>
<b>United States Department of Education</b>				
<i>Passed Through Ohio Department of Education:</i>				
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027A	N/A	0	15,493
Special Education Preschool Grants	84.173A	N/A	0	17
Total Special Education Cluster (IDEA)			0	15,510
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
COVID-19 Special Education-Grants for Infants and Families	84.181X	H181X210024	0	4,000
Special Education-Grants for Infants and Families	84.181	H181A210024	0	31,063
Total Special Education-Grants for Infants and Families			0	35,063
<i>Passed Through Ohio Department of Education:</i>				
COVID-19 Education Stabilization Fund	84.425C	3HQ0	0	24,710
<b>Total United States Department of Education</b>			<b>0</b>	<b>75,283</b>

(continued)

**Pike County**  
*Schedule of Expenditures of Federal Awards*  
*For the Year Ended December 31, 2023*

<b>Federal Grantor</b>	<b>Assistance Listing Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<i>Pass-Through Grantor</i>				
<b>Program/Cluster Title</b>				
<b>United States Department of Health and Human Services</b>				
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Temporary Assistance for Needy Families	93.558	G-2223-11-6978	216,967	945,900
Temporary Assistance for Needy Families	93.558	G-2425-11-6187	26,702	900,233
Total Temporary Assistance for Needy Families			<u>243,669</u>	<u>1,846,133</u>
<b>CCDF Cluster:</b>				
Child Care and Development Block Grant	93.575	G-2223-11-6978	0	35,810
Child Care and Development Block Grant	93.575	G-2425-11-6187	0	32,914
Total CCDF Cluster			<u>0</u>	<u>68,724</u>
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Social Services Block Grant	93.667	2301OHSOSR	0	8,014
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Social Services Block Grant	93.667	G-2223-11-6978	0	33,586
Social Services Block Grant	93.667	G-2425-11-6187	0	228,016
Total Social Services Block Grant			<u>0</u>	<u>269,616</u>
COVID-19 Elder Abuse Prevention Interventions Program	93.747	G-2223-11-6978	0	14,423
COVID-19 Elder Abuse Prevention Interventions Program	93.747	G-2425-11-6187	0	3,939
Total COVID-19 Elder Abuse Prevention Interventions Program			<u>0</u>	<u>18,362</u>
<b>Medicaid Cluster:</b>				
Medical Assistance Program	93.778	G-2223-11-6978	0	205,661
Medical Assistance Program	93.778	G-2425-11-6187	0	189,725
Total Medical Assistance Program			<u>0</u>	<u>395,386</u>
Total Medicaid Cluster			<u>0</u>	<u>395,386</u>
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2223-11-6978	0	5,285
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2425-11-6187	0	12,952
Total MaryLee Allen Promoting Safe and Stable Families Program			<u>0</u>	<u>18,237</u>
Child Support Services	93.563	G-2223-11-6978	0	79,441
Child Support Services	93.563	G-2425-11-6187	0	83,086
Total Child Support Services			<u>0</u>	<u>162,527</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6978	0	1,695
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2425-11-6187	0	4,175
Total Stephanie Tubbs Jones Child Welfare Services Program			<u>0</u>	<u>5,870</u>
Foster Care-Title IV-E	93.658	G-2223-11-6978	0	210,215
Foster Care-Title IV-E	93.658	G-2425-11-6187	0	117,803
Total Foster Care-Title IV-E			<u>0</u>	<u>328,018</u>
Adoption Assistance	93.659	G-2223-11-6978	0	147,532
Adoption Assistance	93.659	G-2425-11-6187	0	75,959
Total Adoption Assistance			<u>0</u>	<u>223,491</u>
<i>Passed Through Ohio Department of Health:</i>				
Maternal, Infant, and Early Childhood Homevisiting Grant Program	93.870	06610021MH0723	0	142,711
Maternal, Infant, and Early Childhood Homevisiting Grant Program	93.870	06610021MH0824	0	46,553
Total Maternal, Infant, and Early Childhood Homevisiting Grant Program			<u>0</u>	<u>189,264</u>
<b>Total United States Department of Health and Human Services</b>			<b>243,669</b>	<b>3,525,628</b>
<b>United States Department of Homeland Security</b>				
<i>Passed Through Ohio Emergency Management Agency:</i>				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4424-DR-131-USEYE-00	0	620,442
Emergency Management Performance Grants	97.042	EMC-2022-EP-00006	0	63,992
<b>Total United States Department of Homeland Security</b>			<b>0</b>	<b>684,434</b>
<b>Total Federal Awards Expenditures</b>			<b>\$243,669</b>	<b>\$5,837,002</b>

N/A - pass-through entity number not available.  
N - direct from the federal government

See the accompanying notes to the schedule of federal awards expenditures.

**Pike County**  
*Notes to the Schedule of Expenditures of Federal Awards*  
*2 CFR 200.510(b)(6)*  
*For the Year Ended December 31, 2023*

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**Note 1 – Basis of Presentation**

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

**Note 2 – Summary of Significant Accounting Policies**

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

**Note 3 – Indirect Cost Rate**

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

**Note 4 – 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 5 - Subrecipients**

The County passes certain federal awards received from the United States Department of Health and Human Services to other governments or not-for-profit agencies (subrecipients). As note 2 describes, the County reports expenditures of federal awards to subrecipients when paid in cash.

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

**Note 6 – Transfers Between Federal Programs**

During 2023, the County made allowable transfers of \$236,665 from the Social Services Block Grant (SSBG) (93.667) program to the Temporary Assistance for Needy Families (TANF) (93.558) program. The schedule shows the County spent \$269,616 on the Social Services Block Grant program. The amount reported for the Social Services Block Grant program on the schedule excludes 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 Social Services Block Grant program during 2023 and the amount transferred to the Temporary Assistance for Needy Families program.

Social Services Block Grant	\$506,281
Transfer to Temporary Assistance for Needy Families	<u>(236,665)</u>
Total Social Services Block Grant	<u>\$269,616</u>

**Pike County**  
*Notes to the Schedule of Expenditures of Federal Awards*  
*2 CFR 200.510(b)(6)*  
*For the Year Ended December 31, 2023*

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**Note 7 – Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) Grant Programs with Revolving Loan Cash Balances**

The cash balances in the County's local program income accounts as of December 31, 2023 were \$3,011 for CDBG and \$11,553 for HOME.



**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Board of Commissioners  
Pike County  
230 Waverly Plaza, Suite 200  
Waverly, Ohio 45690

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information of Pike 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 March 7, 2025.

**Report on Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questions costs, we identified certain deficiencies in internal controls that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questions costs as item 2023-002 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned cost as item 2023-001 to be a significant deficiency.

Pike County, Ohio

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Page 2

### **Report on Compliance and Other Matters**

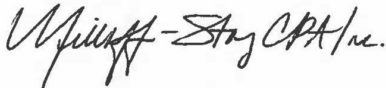
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

### **Purpose of this Report**

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



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

March 7, 2025

**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance  
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Commissioners  
Pike County  
230 Waverly Plaza, Suite 200  
Waverly, Ohio 45690

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

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

We have audited Pike County's (the County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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***

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 a 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.

Pike County, Ohio

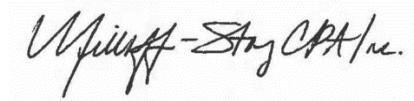
Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance  
Required by the Uniform Guidance

Page 3

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

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

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



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

March 7, 2025

**Pike County Financial Condition**  
*Schedule of Findings and Questioned Costs*  
*2 CFR Section 200.515*  
*For the Year Ended December 31, 2023*

**Section I – Summary of Auditor’s Results**

<i>Financial Statements</i>	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No
<i>Federal Awards</i>	
Internal control over major federal program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal program(s):	Temporary Assistance for Needy Families, ALN 93.558; Disaster Grants-Public Assistance (Presidentially Declared Disasters), ALN 97.036
Dollar threshold used to distinguish between type A and type B programs:	Type A: >\$750,000 Type B: all others
Auditee qualified as low-risk auditee?	No

**Section II – Financial Statement Findings**

**Finding 2023-001**

**Significant Deficiency – Health Reimbursement Account (HRA) Bank Account**

Having sound policies and procedures in place for bank accounts and reconciliations is a good control measure to identify and timely resolve errors or irregularities. The purpose of bank reconciliations is to ensure the bank balance and cash book balance agree after all outstanding deposits and checks are accounted for. Further the County should have agreements in place for any accounting services that a service organization is providing.

During the course of testing, we noted that the County has a bank account for employee health reimbursement accounts. It was noted that the County relies on the figures that the bank provides, resulting in expenditures not being properly recorded in the County books. It was discovered that bank reconciliations were not being performed by the County for this HRA bank account. Further the County did not have an agreement with the bank for accounting services or an SOC 1 report for the bank. Not reconciling can result in errors, irregularities or misappropriation of cash not being identified in a timely manner. The County should perform a monthly bank reconciliation for the HRA account to ensure that all expenses are properly being accounted for and to ensure any reconciling issues are investigated in a timely manner. Further the County should enter into an agreement with bank for these accounting services being provided and request that the bank provide the County with a SOC 1 report.

**Pike County Financial Condition**  
*Schedule of Findings and Questioned Costs*  
*2 CFR Section 200.515*  
*For the Year Ended December 31, 2023*

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**Finding 2023-001 (Continued)**

**Significant Deficiency – Health Reimbursement Account (HRA) Bank Account (Continued)**

*Client Response:*

See accompanying correction action plan.

**Finding 2023-002**

**Material Weakness – Budget to Accounting System**

Accurate budgetary information within the County's accounting system is pertinent to ensure that the County has accurate and complete information for decision-making processes. Amendments to the budget should be properly documented in the minute record to provide assurance that changes to appropriations are authorized by the governing board.

Budgetary information entered into the accounting system did not match amendments approved by the County Commissioners in the MVGT fund. Also, beginning fund balance per what was approved by the County Commissioners did not match the accounting system in the Children Services fund. The County should implement the appropriate procedures to ensure that authorized budgetary amendments are prompt and properly recorded in the County's accounting system to ensure that budgetary information disclosed in the financial records are accurate.

*Client Response:*

See accompanying correction action plan.

<b>Section III – Federal Award Findings and Questioned Costs</b>
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None



**Davida K. Brown**  
**Pike County Auditor**

Pike County Government Center  
230 Waverly Plaza, Suite 200  
Waverly, Ohio 45690-1222  
Phone: 740-947-4125

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*Schedule of Prior Year Audit Findings*  
*2 CFR Section 200.511(b)*  
*December 31, 2023*

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Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
Finding 2022-001	Material Weakness/Noncompliance – Suspension and Debarment	N/A	Finding No Longer Valid
Finding 2022-002	Material Weakness/Noncompliance – Period of Performance	N/A	Finding No Longer Valid





**Davida K. Brown**  
**Pike County Auditor**

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Pike County Government Center  
230 Waverly Plaza, Suite 200  
Waverly, Ohio 45690-1222  
Phone: 740-947-4125

*Corrective Action Plan*  
*2 CFR Section 200.511(c)*  
*For the Year Ended December 31, 2023*

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Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	The County plan has been implemented.	Immediately	Davida Brown, County Auditor
2023-002	The County plan has been implemented.	Immediately	Davida Brown, County Auditor

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# OHIO AUDITOR OF STATE KEITH FABER



## PIKE 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 10/14/2025

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

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