

**AUGLAIZE COUNTY
DECEMBER 31, 2024**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	22
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Net Position - Proprietary Funds	28
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	29
Statement of Cash Flows - Proprietary Funds.....	30
Statement of Fiduciary Net Position – Custodial Funds	31
Statement of Changes in Fiduciary Net Position – Custodial Funds.....	32
Notes to the Basic Financial Statements	33
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) General Fund	90
MVGTT	91
ACDD	92
Schedule of the County's Proportionate Share of the Net Pension Liability and County Pension Contributions - Ohio Public Employees Retirement System (OPERS) Traditional Plan - Last Ten Fiscal Years	94
Schedule of the County's Proportionate Share of the Net OPEB Liability / (Asset) and County OPEB Contributions – Ohio Public Employees Retirement System (OPERS) – Last Eight and Ten Fiscal Years	95
Notes to the Required Supplementary Information.....	96

AUGLAIZE COUNTY
DECEMBER 31, 2024

TABLE OF CONTENTS
(Continued)

TITLE	PAGE
Supplementary Information:	
Schedule of Expenditures of Federal Awards	99
Notes to the Schedule of Expenditures of Federal Awards	101
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	103
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	105
Schedule of Findings.....	109
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	111
Corrective Action Plan.....	113

OHIO AUDITOR OF STATE KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

Auglaize County
209 South Blackhoof Street
Wapakoneta, Ohio 45895

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Auglaize County, Ohio as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2024, the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62* and GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

December 3, 2025

This page intentionally left blank.

AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The management's discussion and analysis of Auglaize County's (the "County") financial performance provides an overall review of the County's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- The total net position of the County increased \$11,858,513 from the 2023 restated net position of \$87,180,795. Net position of governmental activities increased \$11,855,219, which represents a 14.35% increase from the 2023 restated net position of \$82,632,264. Net position of business-type activities increased \$3,294 or less than 0.1% from the 2023 net position of \$4,548,531.
- General revenues accounted for \$28,340,494 or 46.13% of total governmental activities revenue. Program specific revenues accounted for \$33,100,487 or 53.87% of total governmental activities revenue.
- The County had \$49,585,762 in governmental activities expenses; \$33,100,487, or 66.75%, of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$28,340,494 were adequate to provide for these programs.
- The general fund, the County's largest major governmental fund, had revenues and other financing sources of \$23,493,034 in 2024, an increase of \$3,650,864 or 18.40% from 2023. The general fund had expenditures of \$19,247,124 in 2024, an increase of \$1,150,369 or 6.36% from 2023. The net changes in revenues and expenditures contributed to the general fund balance increase of \$4,245,910 or 24.81% from 2023's fund balance.
- The motor vehicle license and gas tax fund, a major governmental fund, had revenues and other financing sources of \$7,202,823 in 2024, an increase of \$538,249 or 8.08% from 2023. The motor vehicle license and gas tax fund had expenditures and other financing uses of \$6,472,078 in 2024, a decrease of \$57,371 or 0.88% from 2023. The motor vehicle license and gas tax fund balance increased \$730,745 or 24.94% from 2023 to 2024.
- The Auglaize County board of developmental disabilities (DD) fund, a major governmental fund, had revenues of \$7,761,336 in 2024, an increase of \$342,267 or 4.61% from 2023. The DD fund had expenditures and other financing uses of \$7,376,512 in 2024, an increase of \$1,009,986 or 15.86% from 2023. The net changes in revenues and expenditures contributed to the DD fund balance increase of \$384,824 or 3.13% from 2023 to 2024.
- The Permanent Improvement fund, a major governmental fund, had \$3,007,926 in revenues and \$1,662,695 in expenditures in 2024. The Permanent Improvement fund had a fund balance of \$8,908,025 at year end.
- Net position for the business-type activities, which consists of the sewer district, increased in 2024 by \$3,294 or less than 0.1% from the 2023 net position of \$4,548,531.

Using the Basic Financial Statements (BFS)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the County as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. 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 non-major funds presented in total in one column. In the case of the County, there are four major governmental funds. The general fund is the largest major fund.

AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities answer the question, "How did we do financially during 2024?" These statements include *all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take 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 tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, and other factors.

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 human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - these services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided.

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports 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 license and gas tax fund (MVGT), Auglaize County board of developmental disabilities (ACDD) fund, and the Permanent Improvement fund. The County's major enterprise fund is the sewer district.

Governmental Funds

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

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

AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

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

Proprietary Funds

The County maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its sewer district. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its employee health insurance costs and the various rotary funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement 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 used for proprietary funds. Custodial funds are the County's only fiduciary fund type.

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's net pension liability and net other postemployment benefits (OPEB) asset and the County's budgetary schedules.

THIS SPACE INTENTIONALLY LEFT BLANK

AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Government-Wide Financial Analysis

The statement of net position provides the perspective of the County as a whole. The table below provides a summary of the County's net position at December 31, 2024 and December 31, 2023. The net position as of December 31, 2023, was restated as described in Note 3.

	Net Position					
	Governmental	Restated	Business-type	Business-type	Total	Restated
	Activities	Governmental	Activities	Activities	Total	Total
	2024	2023	2024	2023	2024	2023
<u>Assets</u>						
Current and other assets	\$ 75,412,405	\$ 71,335,875	\$ 1,679,046	\$ 1,567,424	\$ 77,091,451	\$ 72,903,299
Capital assets, net	55,930,471	50,296,143	2,999,753	3,082,530	58,930,224	53,378,673
Total assets	<u>131,342,876</u>	<u>121,632,018</u>	<u>4,678,799</u>	<u>4,649,954</u>	<u>136,021,675</u>	<u>126,281,972</u>
Deferred Outflows of Resources	8,882,020	13,980,315	-	-	8,882,020	13,980,315
<u>Liabilities</u>						
Current and other liabilities	4,560,227	8,238,986	76,186	47,461	4,636,413	8,286,447
Long-term liabilities outstanding:						
Due within one year	1,975,912	1,286,785	3,174	3,174	1,979,086	1,289,959
Net pension liability	25,676,340	29,547,841	-	-	25,676,340	29,547,841
Net OPEB liability	-	615,523	-	-	-	615,523
Other amounts	4,529,957	4,470,593	47,614	50,788	4,577,571	4,521,381
Total liabilities	<u>36,742,436</u>	<u>44,159,728</u>	<u>126,974</u>	<u>101,423</u>	<u>36,869,410</u>	<u>44,261,151</u>
Deferred Inflows of Resources	8,994,977	8,820,341	-	-	8,994,977	8,820,341
<u>Net Position</u>						
Net investment in capital assets	55,080,171	49,780,586	2,948,965	3,028,568	58,029,136	52,809,154
Restricted	21,649,401	19,489,796	-	-	21,649,401	19,489,796
Unrestricted	<u>17,757,911</u>	<u>13,361,882</u>	<u>1,602,860</u>	<u>1,519,963</u>	<u>19,360,771</u>	<u>14,881,845</u>
Total net position	<u>\$ 94,487,483</u>	<u>\$ 82,632,264</u>	<u>\$ 4,551,825</u>	<u>\$ 4,548,531</u>	<u>\$ 99,039,308</u>	<u>\$ 87,180,795</u>

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." 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 liability, to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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 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.

AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

GASB 68 and GASB 75 require the net pension liability and the net OPEB 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 healthcare 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 *as 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. As explained above, changes in benefits, contribution rates, and return on investments affect the balance 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 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 and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2024, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$99,039,308. This amounts to \$94,487,483 in governmental activities and \$4,551,825 in business-type activities.

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 43.35% of total governmental and business-type assets. Capital assets include land, land improvements, buildings and improvements, equipment, furniture, and fixtures, construction in progress, intangible right to use assets, intangible right to use software, and infrastructure. The net investment in capital assets at December 31, 2024, was \$58,029,136. These capital assets are used to provide services to citizens and are not available for future spending.

AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

A portion of the County's net position, \$21,649,401 or 21.86%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$19,360,771.

Overall, total current assets increased over the prior year primarily in cash and cash equivalents which increased due to current year operations. Capital asset, net increased as acquisitions exceeded depreciation expense in 2024.

The following table shows the changes in net position for governmental and business-type activities for 2024 and 2023. The net position as of December 31, 2023, was restated as described in Note 3.

	Change in Net Position					
	Governmental	Business-type	Restated	Governmental	Business-type	Restated
	Activities	Activities	Governmental	Activities	2024	2023
	2024	2024	2023	2023	Total	Total
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 9,961,035	\$ 596,223	\$ 8,598,760	\$ 584,126	\$ 10,557,258	\$ 9,182,886
Operating grants and contributions	22,785,345	118,727	18,246,073	-	22,904,072	18,246,073
Capital grants and contributions	354,107	-	1,894,038	-	354,107	1,894,038
Total program revenues	33,100,487	714,950	28,738,871	584,126	33,815,437	29,322,997
General revenues:						
Property taxes	8,084,558	-	7,041,698	-	8,084,558	7,041,698
Sales tax	13,722,644	-	13,734,780	-	13,722,644	13,734,780
Unrestricted grants	1,407,099	-	1,351,663	-	1,407,099	1,351,663
Investment earnings	2,805,969	-	1,991,669	-	2,805,969	1,991,669
Other	2,320,224	-	1,221,126	-	2,320,224	1,221,126
Total general revenues	28,340,494	-	25,340,936	-	28,340,494	25,340,936
Total revenues	61,440,981	714,950	54,079,807	584,126	62,155,931	54,663,933
<u>Expenses</u>						
Program Expenses:						
General government:						
Legislative and executive	8,760,289	-	8,051,823	-	8,760,289	8,051,823
Judicial	3,367,131	-	3,103,500	-	3,367,131	3,103,500
Public safety	9,263,281	-	8,763,803	-	9,263,281	8,763,803
Public works	8,858,527	-	12,193,502	-	8,858,527	12,193,502
Health	9,597,731	-	8,174,197	-	9,597,731	8,174,197
Human services	7,081,951	-	6,346,062	-	7,081,951	6,346,062
Economic development	-	-	50,000	-	-	50,000
Other	2,608,526	-	2,548,200	-	2,608,526	2,548,200
Interest	48,326	-	18,177	-	48,326	18,177
Sewer district	-	711,656	-	283,345	711,656	283,345
Total expenses	49,585,762	711,656	49,249,264	283,345	50,297,418	49,532,609
Change in net position	11,855,219	3,294	4,830,543	300,781	11,858,513	5,131,324
Net position at beginning of year (restated)	82,632,264	4,548,531	N/A	4,247,750	87,180,795	N/A
Net position at end of year	<u>\$ 94,487,483</u>	<u>\$ 4,551,825</u>	<u>\$ 82,632,264</u>	<u>\$ 4,548,531</u>	<u>\$ 99,039,308</u>	<u>\$ 87,180,795</u>

Governmental Activities

Governmental activities net position increased by \$11,855,219 in 2024 as total revenues once again exceeded expenses.

Overall, expenses of the governmental activities increased \$336,498 or 0.68%. This increase is primarily the result of increases in legislative and executive, public safety, and health expenses. Legislative and executive expenses increased due to regular salary and wage increases. Public safety expenditures increased due to operations of police programs. Health expenses increased due to regular salary and wage increases.

AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

General government expenses, which include legislative and executive and judicial programs, accounted for \$12,127,420 or 24.46% of total governmental expenses. General government expenses were funded by \$3,213,933 direct charges to users, \$5,540,067 in operating grants and contributions, and \$274,422 in capital grants and contributions in 2024. Public works expenses totaled \$8,858,527 in 2024 or 17.87% of total governmental expenses. The County's public works programs consist primarily of the motor vehicle license and gas tax program, which funds road and other infrastructure repairs and improvements throughout the County. Public safety expenses totaled \$9,263,281 in 2024 or 18.68% of total governmental expenses. Public safety expenses consist primarily of costs related to police programs.

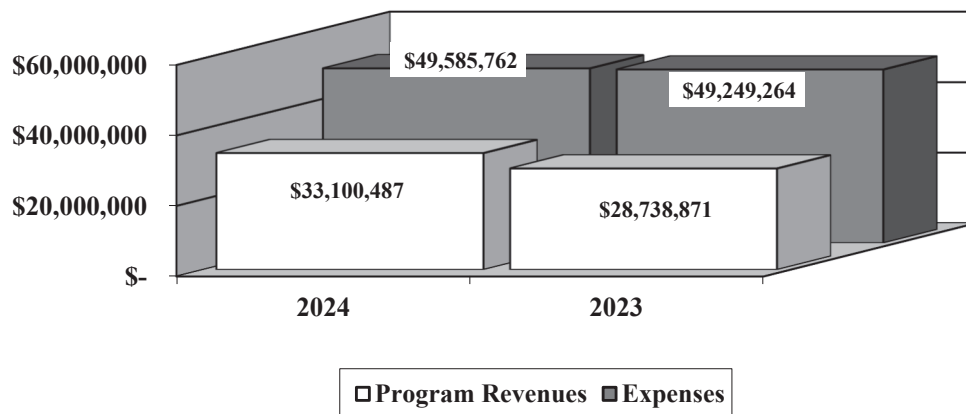
Operating grants and contributions, which is mostly intergovernmental revenue from the State and Federal governments, totaled \$22,785,345 in 2024, compared to \$18,246,073 in 2023. These revenues are restricted to a particular program or purpose.

During 2024, the County received \$354,107 in capital grants and contributions. This amount primarily consisted of grants from the Ohio Department of Transportation (ODOT) and the Ohio Public Works Commission (OPWC) for various roadway improvement projects throughout the County.

General revenues totaled \$28,340,494 and amounted to 46.13% of total revenues. These revenues primarily consist of property and sales tax revenue of \$21,807,202 or 76.94% of total general revenues in 2024. The other primary source of general revenues is grants and entitlements not restricted to specific programs, which makes up \$1,407,099 or 4.96% of the total. These revenues consist primarily of local government and property tax reimbursements.

As can be seen in the graph below, the County is reliant upon general revenues to finance operations as program revenues are not sufficient to cover total expenses.

Governmental Activities - Program Revenues vs. Total Expenses



AUGLAIZE COUNTY, OHIO

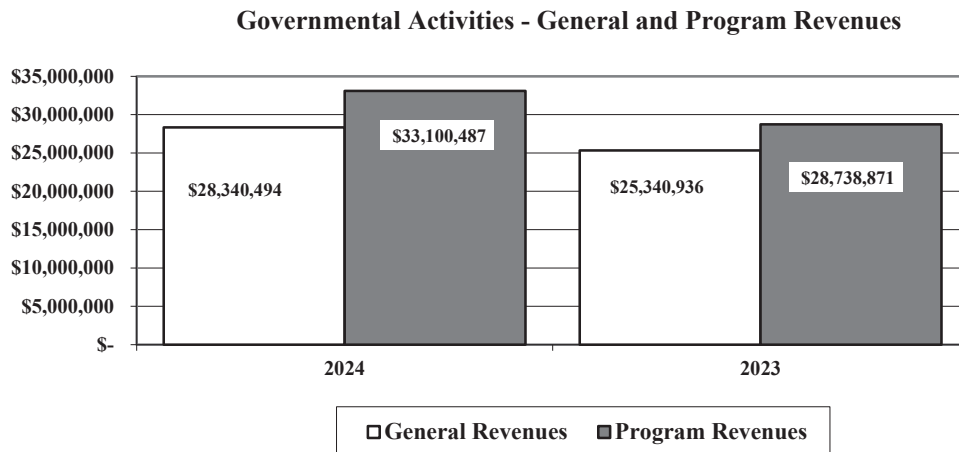
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2024 and 2023. That is, it identifies the cost of these services supported by general revenues (such as tax revenue and unrestricted State grants and entitlements).

	Governmental Activities			
	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
Program Expenses:				
General government:				
Legislative and executive	\$ 8,760,289	\$ 1,512,501	\$ 8,051,823	\$ 2,755,874
Judicial	3,367,131	1,586,497	3,103,500	1,491,304
Public safety	9,263,281	7,578,707	8,763,803	6,785,966
Public works	8,858,527	(2,770,436)	12,193,502	2,688,434
Health	9,597,731	4,140,805	8,174,197	3,004,805
Human services	7,081,951	1,817,292	6,346,062	1,284,907
Economic development	-	-	50,000	-
Other	2,608,526	2,571,583	2,548,200	2,480,926
Interest	48,326	48,326	18,177	18,177
Total	<u>\$ 49,585,762</u>	<u>\$ 16,485,275</u>	<u>\$ 49,249,264</u>	<u>\$ 20,510,393</u>

The dependence upon general revenues for governmental activities is apparent, with 33.25% of expenses supported through taxes and other general revenues during 2024.

The graph below compares the County's general and program revenues.

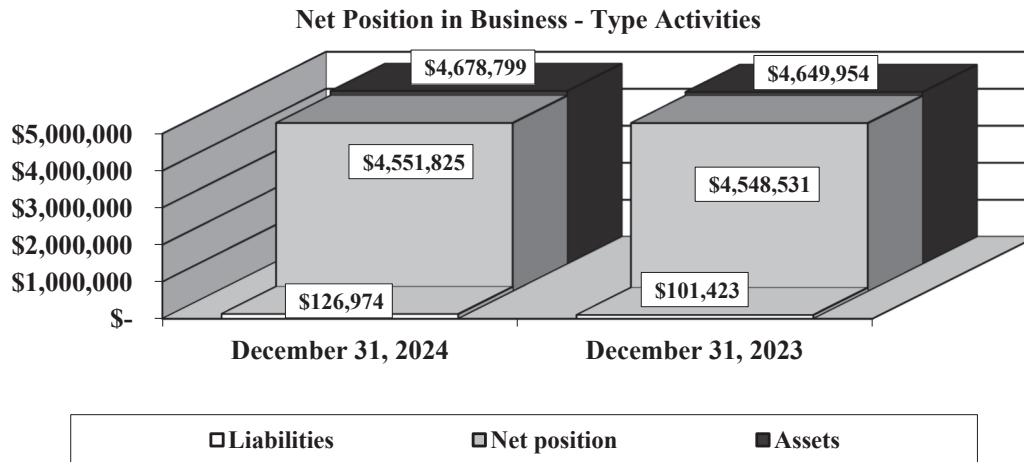


AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Business-Type Activities

During 2024, the business-type activities had program revenues of \$714,950 and expenses of \$711,656. The net position of the business-type activities increased \$3,294 or less than 0.1% from 2023's net position. The following graph illustrates the assets, deferred outflows, liabilities, deferred inflows, and net position of the County's business-type activities at December 31, 2024 and 2023.



Financial Analysis of the County's Funds

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

Governmental Funds

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

The County's governmental funds reported a combined fund balance of \$56,834,106, which is \$6,246,747 greater than last year's total of \$50,587,359. The table below shows the fund balance and the total change in fund balance as of December 31, 2024 for all major and nonmajor governmental funds.

	Fund Balances 12/31/24	Fund Balances 12/31/23	Change
Major funds:			
General	\$ 21,356,354	\$ 17,110,444	\$ 4,245,910
Motor Vehicle License and Gas Tax	3,661,083	2,930,338	730,745
Auglaize County Board of DD	12,671,772	12,286,948	384,824
Permanent Improvement Fund	8,908,025	7,562,794	1,345,231
Nonmajor governmental funds	<u>10,236,872</u>	<u>10,696,835</u>	<u>(459,963)</u>
Total	<u>\$ 56,834,106</u>	<u>\$ 50,587,359</u>	<u>\$ 6,246,747</u>

AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

General Fund

The County's general fund balance increased \$4,245,910. The tables that follow assist in illustrating the revenues and expenditures of the general fund.

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 13,547,460	\$ 13,026,061	4.00 %
Charges for services	2,040,021	1,933,759	5.50 %
Licenses and permits	2,802	3,735	(24.98) %
Fines, forfeitures, and settlements	542,961	473,610	14.64 %
Intergovernmental	2,332,497	2,148,013	8.59 %
Investment income	2,410,000	1,871,801	28.75 %
Other	<u>2,546,323</u>	<u>336,905</u>	655.80 %
Total	<u>\$ 23,422,064</u>	<u>\$ 19,793,884</u>	18.33 %

Taxes revenue, which includes primarily real property and sales taxes, represents 57.84% of all general fund revenues. Charges for services increased 5.50% due to increased fees received for general services provided by the County. Intergovernmental revenues increased due to the County receiving more money from the State and Federal governments. Investment income increased due to increased interest rates on the County's investments and increase in the fair value of investments. The County plans to hold investments to maturity to reduce interest rate risk. Fines, forfeitures, and settlements increased due to increased municipal fines. Other revenue increased by 655.80% due to increased reimbursements during 2024.

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government:			
Legislative and executive	\$ 5,123,359	\$ 4,837,153	5.92 %
Judicial	2,292,078	2,166,806	5.78 %
Public safety	8,235,991	7,677,263	7.28 %
Public works	506,782	430,504	17.72 %
Health	133,289	95,204	40.00 %
Human services	524,256	463,752	13.05 %
Other	2,307,137	2,242,998	2.86 %
Capital outlay	72,944	48,670	49.87 %
Debt service	<u>51,288</u>	<u>34,405</u>	49.07 %
Total	<u>\$ 19,247,124</u>	<u>\$ 17,996,755</u>	6.95 %

Expenditures increased 6.95% during 2024. Legislative and executive expenditures increased due to increased costs related to employee salaries. Human services expenditures increased due to increased costs in the veteran's department. Capital outlay expenditures and debt service expenditures increased due to lease obligations being paid out of the fund. Public safety expenditures increased due to increased costs related to police operations. Public works expenditures increased due to increased costs related to public improvements during the fiscal year. Health expenditures increased due to increased costs related to helping disabled children.

AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Motor Vehicle License and Gas Tax Fund

The motor vehicle license and gas tax fund, a major governmental fund, had revenues and other financing sources of \$7,202,823 in 2024, an increase of \$538,249 or 8.08% from 2023. The motor vehicle license and gas tax fund had expenditures and other financing uses of \$6,472,078 in 2024, a decrease of \$57,371 or 0.88% from 2023. The motor vehicle license and gas tax fund balance increased \$730,745 or 24.94% from 2023 to 2024.

Auglaize County Board of DD

The Auglaize County board of developmental disabilities (ACDD) fund, a major governmental fund, had revenues of \$7,761,336 in 2024, an increase of \$342,267 or 4.61% from 2023. The ACDD fund had expenditures and other financing uses of \$7,376,512 in 2024, an increase of \$1,009,986 or 15.86% from 2023. The net changes in revenues and expenditures contributed to the ACDD fund balance increase of \$384,824 or 3.13% from 2023 to 2024.

Permanent Improvement Fund

The Permanent Improvement fund, a major governmental fund, had \$3,007,926 in revenues and \$1,662,695 in expenditures in 2024. The Permanent Improvement fund had a fund balance of \$8,908,025 at year end.

Budgeting Highlights - General Fund

The County's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the County's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund, motor vehicle license and gas tax fund, and Auglaize County board of DD fund.

In the general fund, original and final budgeted revenues and other financing sources were \$18,446,098. Actual revenues and other financing sources of \$23,661,152 were greater than final budgeted revenues and other financing sources by \$5,215,054.

Original and final budgeted expenditures and other financing uses in the general fund were \$22,863,683 and \$22,753,658 respectively. Actual expenditures and other financing uses of \$20,005,321 were \$2,748,337 less than final budgeted expenditures and other financing uses. Most of the departments in the general fund had a positive budget variance, most of which were due to the County's conservative budget practices in budgeting for higher employee wages and benefits costs.

Proprietary Funds

The County has two types of proprietary funds: enterprise funds and internal service funds. The County's enterprise fund provides the same type of information found in the government-wide financial statements for business-type activities, but in more detail. The County's internal service fund provides detailed information on the County's employee health insurance costs and various rotary funds. The internal service fund is included with the governmental activities for reporting on the government-wide financial statements.

AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At the end of 2024, the County had \$58,930,224 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, equipment, furniture, and fixtures, construction in progress, sewer mains, intangible right to use assets, intangible right to use software, and infrastructure. Of this total, \$55,930,471 was reported in governmental activities and \$2,999,753 was reported in business-type activities. The following table shows 2024 balances compared to 2023.

Capital Assets at December 31 (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 3,254,406	\$ 2,383,036	\$ 116,686	\$ 100,686	\$ 3,371,092	\$ 2,483,722
Land improvements	1,210,609	966,242	-	-	1,210,609	966,242
Building and improvements	13,404,482	14,166,987	53,082	56,526	13,457,564	14,223,513
Equipment, Furniture, and fixtures	6,048,042	5,218,913	43,550	53,152	6,091,592	5,272,065
Infrastructure	26,768,440	26,404,866	-	-	26,768,440	26,404,866
Intangible right to use:						
Software	210,799	-	-	-	210,799	-
Vehicles	221,962	15,365	-	-	221,962	15,365
Equipment	184,360	243,800	-	-	184,360	243,800
Sewer lines	-	-	2,779,535	2,865,266	2,779,535	2,865,266
Construction in progress	4,627,371	896,934	6,900	6,900	4,634,271	903,834
Total	\$ 55,930,471	\$ 50,296,143	\$ 2,999,753	\$ 3,082,530	\$ 58,930,224	\$ 53,378,673

See Note 9 in the notes to the basic financial statements for detail on the County's capital assets.

The County's largest governmental activities capital asset category is infrastructure which includes roads, bridges and culverts. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 47.86% of the County's total governmental capital assets.

The County's largest business-type capital asset category is sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the County's sewer lines (cost less accumulated depreciation) represents approximately 92.66% of the County's total business-type capital assets.

AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Debt Administration

At December 31, 2024 the County had \$409,664 in leases outstanding, \$207,536 in SBITAs outstanding, and \$1,147,295 in special assessment notes payable and OPWC loans payable. Of this total, \$348,487 is due within one year and \$1,416,008 is due in more than one year. The following table summarizes the outstanding debt.

	Outstanding Debt, at Year End			
	Governmental Activities 2024	Business-Type Activities 2024	Governmental Activities 2023	Business-Type Activities 2023
Long-Term Obligations				
Special assessment notes	\$ 800,840	\$ -	\$ 548,567	\$ -
Lease payable	409,664	-	262,157	-
SBITA payable	207,536	-	-	-
OPWC loans	<u>295,667</u>	<u>50,788</u>	<u>320,436</u>	<u>53,962</u>
Total	<u>\$ 1,713,707</u>	<u>\$ 50,788</u>	<u>\$ 1,131,160</u>	<u>\$ 53,962</u>

The County's total legal debt margin was \$168,740,748 at December 31, 2024 and the unvoted legal debt margin was \$88,805,135. See Note 16 in the notes to the basic financial statements for detail on governmental activities and business-type activities long-term obligations.

Economic Factors and Next Year's Budget

The County's unemployment rate is 3.3%, 1.1% lower than the state rate of 4.4% (December 2024). Unfortunately, the United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. In 2021, the State lifted its state of emergency, but the United States state of emergency ended in May 2023. The financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the County.

The Sewers, business-type activities, should remain relatively unchanged for 2025.

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 financial information, contact the Auglaize County Auditor's office by calling 419-739-6705 or writing the County Auditor at, 209 S Blackhoof St, Suite 102, Wapakoneta, Ohio 45895.

THIS PAGE IS INTENTIONALLY LEFT BLANK

AUGLAIZE COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 53,326,172	\$ 1,537,440	\$ 54,863,612
Cash and cash equivalents in segregated accounts	38,456	-	38,456
Cash and cash equivalents with fiscal agent	2,482,446	-	2,482,446
Receivables:			
Sales taxes	2,168,410	-	2,168,410
Property taxes	8,427,261	-	8,427,261
Accounts	662,118	96,446	758,564
Special assessments	863,404	50,787	914,191
Settlements	310,439	-	310,439
Accrued interest	382,936	-	382,936
Due from other governments	4,494,737	-	4,494,737
Materials and supplies inventory	819,457	-	819,457
Prepayments	457,200	-	457,200
Net OPEB asset	870,430	-	870,430
Lease receivable	103,176	-	103,176
Internal balance	5,763	(5,627)	136
Capital assets:			
Land and construction in progress	7,881,777	123,586	8,005,363
Depreciable capital assets, net	48,048,694	2,876,167	50,924,861
Total capital assets, net	55,930,471	2,999,753	58,930,224
Total assets	131,342,876	4,678,799	136,021,675
Deferred outflows of resources:			
Pension	8,135,065	-	8,135,065
OPEB	746,955	-	746,955
Total deferred outflows of resources	8,882,020	-	8,882,020
Liabilities:			
Accounts payable	976,364	8,809	985,173
Accrued wages and benefits payable	611,108	-	611,108
Due to other governments	1,124,030	65,235	1,189,265
Due to clients	-	2,142	2,142
Accrued interest payable	16,654	-	16,654
Undistributed assets	38,456	-	38,456
Employee withholdings payable	141,983	-	141,983
Unearned revenue	1,651,632	-	1,651,632
Long-term liabilities:			
Due within one year	1,975,912	3,174	1,979,086
Due in more than one year:			
Net pension liability	25,676,340	-	25,676,340
Other amounts due in more than one year	4,529,957	47,614	4,577,571
Total liabilities	36,742,436	126,974	36,869,410
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	8,143,053	-	8,143,053
Leases	98,768	-	98,768
Pension	234,976	-	234,976
OPEB	518,180	-	518,180
Total deferred inflows of resources	8,994,977	-	8,994,977
Net position:			
Net investment in capital assets	55,080,171	2,948,965	58,029,136
Restricted for:			
Debt service	989,411	-	989,411
Capital projects	149,974	-	149,974
OPEB	870,430	-	870,430
Other purposes	19,639,586	-	19,639,586
Unrestricted	17,757,911	1,602,860	19,360,771
Total net position	\$ 94,487,483	\$ 4,551,825	\$ 99,039,308

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

AUGLAIZE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government:				
Legislative and executive	\$ 8,760,289	\$ 1,943,450	\$ 5,029,916	\$ 274,422
Judicial	3,367,131	1,270,483	510,151	-
Public safety	9,263,281	1,018,750	665,824	-
Public works	8,858,527	3,888,585	7,660,693	79,685
Health	9,597,731	1,752,386	3,704,540	-
Human services	7,081,951	85,881	5,178,778	-
Other	2,608,526	1,500	35,443	-
Interest	48,326	-	-	-
Total governmental activities	<u>49,585,762</u>	<u>9,961,035</u>	<u>22,785,345</u>	<u>354,107</u>
Business-type activities:				
Sewers	<u>711,656</u>	<u>596,223</u>	<u>118,727</u>	<u>-</u>
Total business-type activities	<u>711,656</u>	<u>596,223</u>	<u>118,727</u>	<u>-</u>
Totals	<u>\$ 50,297,418</u>	<u>\$ 10,557,258</u>	<u>\$ 22,904,072</u>	<u>\$ 354,107</u>

General revenues:

Property taxes levied for:

 General purposes

 Other purposes

Sales taxes levied for:

 General purposes

 Other purposes

 Capital outlay

Grants and entitlements not restricted
to specific programs

Increase in fair value of investments

Investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year as previously reported

Change in accounting principle

Net position at beginning of year (restated)

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (1,512,501)	\$ -	\$ (1,512,501)
(1,586,497)	-	(1,586,497)
(7,578,707)	-	(7,578,707)
2,770,436	-	2,770,436
(4,140,805)	-	(4,140,805)
(1,817,292)	-	(1,817,292)
(2,571,583)	-	(2,571,583)
(48,326)	-	(48,326)
(16,485,275)	-	(16,485,275)
-	3,294	3,294
-	3,294	3,294
(16,485,275)	3,294	(16,481,981)
3,608,738	-	3,608,738
4,475,820	-	4,475,820
9,958,036	-	9,958,036
764,608	-	764,608
3,000,000	-	3,000,000
1,407,099	-	1,407,099
401,988	-	401,988
2,403,981	-	2,403,981
2,320,224	-	2,320,224
28,340,494	-	28,340,494
11,855,219	3,294	11,858,513
85,026,870	4,548,531	89,575,401
(2,394,606)	-	(2,394,606)
82,632,264	4,548,531	87,180,795
\$ 94,487,483	\$ 4,551,825	\$ 99,039,308

AUGLAIZE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	MVGT	ACDD	Permanent Improvement
Assets:				
Equity in pooled cash and cash equivalents	\$ 19,521,197	\$ 2,300,378	\$ 10,286,298	\$ 8,288,478
Cash and cash equivalents with fiscal agent	-	-	2,482,446	-
Cash and cash equivalents in segregated accounts	37,761	-	-	-
Receivables:				
Sales taxes	1,668,410	-	-	500,000
Property taxes	3,718,885	-	4,708,376	-
Accounts	274,109	14,753	11,130	751
Special assessments	-	-	-	-
Settlements	-	-	-	-
Accrued interest	259,581	-	-	-
Due from other funds	28,665	2,163	-	49,961
Due from other governments	1,137,879	2,593,163	360,393	-
Materials and supplies inventory	100,073	664,793	1,350	-
Prepayments	214,930	29,415	6,847	75,344
Lease receivable	103,176	-	-	-
Total assets	<u>\$ 27,064,666</u>	<u>\$ 5,604,665</u>	<u>\$ 17,856,840</u>	<u>\$ 8,914,534</u>
Liabilities:				
Accounts payable	\$ 212,975	\$ 208,375	\$ 54,340	\$ 6,509
Accrued wages and benefits payable	366,873	62,780	55,193	-
Due to other governments	268,237	31,850	32,481	-
Due to other funds	13,482	6,366	68	-
Unearned revenue	-	-	-	-
Undistributed assets	37,761	-	-	-
Employee withholding payable	85,616	15,918	11,711	-
Total liabilities	<u>984,944</u>	<u>325,289</u>	<u>153,793</u>	<u>6,509</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	3,624,943	-	4,518,110	-
Revenue not available:				
Delinquent property tax	93,942	-	190,266	-
Intergovernmental	777,419	1,618,293	322,899	-
Special assessments	-	-	-	-
Accrued interest	128,296	-	-	-
Settlements	-	-	-	-
Leases	98,768	-	-	-
Total deferred inflows of resources	<u>4,723,368</u>	<u>1,618,293</u>	<u>5,031,275</u>	<u>-</u>
Fund balances:				
Nonspendable	378,293	694,208	8,197	125,305
Restricted	-	2,966,875	12,663,575	-
Committed	-	-	-	8,782,720
Assigned	4,671,655	-	-	-
Unassigned (deficit)	16,306,406	-	-	-
Total fund balances	<u>21,356,354</u>	<u>3,661,083</u>	<u>12,671,772</u>	<u>8,908,025</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,064,666</u>	<u>\$ 5,604,665</u>	<u>\$ 17,856,840</u>	<u>\$ 8,914,534</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 12,796,401	\$ 53,192,752
-	2,482,446
695	38,456
-	2,168,410
-	8,427,261
332,552	633,295
863,404	863,404
310,439	310,439
123,355	382,936
152,763	233,552
353,341	4,444,776
53,241	819,457
130,664	457,200
-	103,176
<u>\$ 15,116,855</u>	<u>\$ 74,557,560</u>
\$ 494,165	\$ 976,364
121,819	606,665
789,324	1,121,892
179,009	198,925
1,651,632	1,651,632
695	38,456
27,756	141,001
<u>3,264,400</u>	<u>4,734,935</u>
-	8,143,053
-	284,208
318,385	3,036,996
863,404	863,404
123,355	251,651
310,439	310,439
-	98,768
<u>1,615,583</u>	<u>12,988,519</u>
182,525	1,388,528
7,272,451	22,902,901
3,559,206	12,341,926
-	4,671,655
<u>(777,310)</u>	<u>15,529,096</u>
<u>10,236,872</u>	<u>56,834,106</u>
<u>\$ 15,116,855</u>	<u>\$ 74,557,560</u>

AUGLAIZE COUNTY
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024

Total governmental fund balances	\$	56,834,106
---	-----------	-------------------

Amounts reported for governmental activities on 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.		55,930,471
---	--	------------

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.

Real and other taxes receivable	\$	284,208	
Settlements receivable		310,439	
Intergovernmental receivable		3,036,996	
Special assessments receivable		863,404	
Accrued interest receivable		251,651	
Total		4,746,698	4,746,698

Internal service funds are used by management to charge the cost of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position, less \$53,458 for compensated absences, \$127,969 and (\$7,982) for net pension and net OPEB assets/liabilities and related deferred inflows/outflows included below.

175,777

On the statement of net position interest is accrued on outstanding bonds and loans payable, whereas in the governmental funds, interest is accrued when due.

(16,654)

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

Deferred outflows of resources - pension		8,135,065	
Deferred inflows of resources - pension		(234,976)	
Net Pension liability.		(25,676,340)	
Deferred outflows of resources - OPEB		746,955	
Deferred inflows of resources - OPEB		(518,180)	
Net OPEB asset		870,430	
Total		(16,677,046)	(16,677,046)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences		(4,792,162)	
Special assessment notes		(800,840)	
Lease payable		(409,664)	
SBITA payable		(207,536)	
OPWC loans		(295,667)	
Total		(6,505,869)	(6,505,869)

Net position of governmental activities	\$	94,487,483
--	-----------	-------------------

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

AUGLAIZE COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	MVGT	ACDD	(Formerly Major) Local Fiscal Recovery
Revenues:				
Property taxes	\$ 3,589,424	\$ -	\$ 4,400,854	
Sales and permissive taxes	9,958,036	599,481	-	
Interest	2,008,012	38,367	3,024	
Licenses and permits	2,802	-	-	
Fines, forfeitures, and settlements	542,961	41,368	-	
Intergovernmental	2,332,497	5,690,282	3,290,510	
Charges for services	2,040,021	587,171	40,625	
Special assessments	-	-	-	
Increase in fair value of investments	401,988	-	-	
Other	2,546,323	54,075	26,323	
Total revenues	<u>23,422,064</u>	<u>7,010,744</u>	<u>7,761,336</u>	
Expenditures:				
Current:				
General government:				
Legislative and executive	5,123,359	-	-	
Judicial	2,292,078	-	-	
Public safety	8,235,991	-	-	
Public works	506,782	6,226,111	-	
Health	133,289	-	7,305,677	
Human services	524,256	-	-	
Other	2,307,137	-	-	
Capital outlay	72,944	195,218	-	
Debt service:				
Principal retirement	47,669	27,731	18,466	
Interest	3,619	2,718	2,369	
Total expenditures	<u>19,247,124</u>	<u>6,451,778</u>	<u>7,326,512</u>	
Excess of revenues over expenditures	<u>4,174,940</u>	<u>558,966</u>	<u>434,824</u>	
Other financing sources (uses):				
Note issuance	-	-	-	
Lease transaction	70,970	192,079	-	
Transfers in	-	-	-	
Transfers (out)	-	(20,300)	(50,000)	
SBITA transaction	-	-	-	
Total other financing sources (uses)	<u>70,970</u>	<u>171,779</u>	<u>(50,000)</u>	
Net change in fund balances	4,245,910	730,745	384,824	
Fund balances as previously reported	17,110,444	2,930,338	12,286,948	-
Adjustment - changes in major fund to nonmajor fund	-	-	-	-
Fund balances at beginning of year, as adjusted	<u>17,110,444</u>	<u>2,930,338</u>	<u>12,286,948</u>	
Fund balances at end of year	<u>\$ 21,356,354</u>	<u>\$ 3,661,083</u>	<u>\$ 12,671,772</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 7,990,278
3,000,000	165,127	13,722,644
1,846	2,746	2,053,995
-	-	2,802
-	496,625	1,080,954
-	14,080,820	25,394,109
-	2,723,383	5,391,200
-	1,203,589	1,203,589
-	-	401,988
6,080	849,261	3,482,062
<u>3,007,926</u>	<u>19,521,551</u>	<u>60,723,621</u>
-	5,416,514	10,539,873
-	510,141	2,802,219
-	947,526	9,183,517
-	1,195,187	7,928,080
-	1,884,008	9,322,974
-	6,481,761	7,006,017
-	317,950	2,625,087
1,662,695	3,683,050	5,613,907
-	233,885	327,751
-	29,041	37,747
<u>1,662,695</u>	<u>20,699,063</u>	<u>55,387,172</u>
<u>1,345,231</u>	<u>(1,177,512)</u>	<u>5,336,449</u>
-	394,290	394,290
-	-	263,049
-	160,116	160,116
-	(89,816)	(160,116)
-	252,959	252,959
<u>-</u>	<u>717,549</u>	<u>910,298</u>
1,345,231	(459,963)	6,246,747
7,562,794	10,696,835	50,587,359
<u>-</u>	<u>-</u>	<u>-</u>
<u>7,562,794</u>	<u>10,696,835</u>	<u>50,587,359</u>
<u>\$ 8,908,025</u>	<u>\$ 10,236,872</u>	<u>\$ 56,834,106</u>

AUGLAIZE 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, 2024

Net change in fund balances - total governmental funds	\$ 6,246,747
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlays exceeds depreciation/amortization expense in the current period.	
Capital asset additions	\$ 10,120,844
Current year depreciation/amortization	<u>(4,366,579)</u>
Total	5,754,265
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.	(119,937)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real and other taxes	94,280
Intergovernmental revenues	6,906
Special assessments	247,807
Investment income	57,956
Settlements	<u>310,439</u>
Total	717,388
Repayment of note, loan, and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	327,751
Issuance costs on special assessment notes, leases payable, and SBITAs payable are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.	(910,298)
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.	
(Increase) in accrued interest payable	(10,579)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(180,911)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	2,529,778
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liability are reported as pension/OPEB expense in the statement of activities.	
Pension	(2,649,653)
OPEB	<u>117,956</u>
Total	(2,531,697)
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 revenues are eliminated. Compensated absences have been removed from this calculation. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	<u>32,712</u>
Change in net position of governmental activities	\$ <u>11,855,219</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

AUGLAIZE COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Business-Type Activities - Enterprise Fund Sewers	Governmental Activities - Internal Service Funds
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 1,537,440	\$ 133,420
Receivables:		
Accounts	96,446	28,823
Special assessments	50,787	-
Due from other funds	-	21,097
Due from other governments	-	49,961
Total current assets	<u>1,684,673</u>	<u>233,301</u>
Noncurrent assets:		
Net OPEB asset	-	6,310
Capital assets:		
Land and construction in progress	123,586	-
Depreciable capital assets, net	2,876,167	-
Total noncurrent assets	<u>2,999,753</u>	<u>6,310</u>
Total assets	<u>4,684,426</u>	<u>239,611</u>
Deferred outflows of resources:		
Pension	-	61,996
OPEB	-	5,538
Total deferred outflows of resources	<u>-</u>	<u>67,534</u>
Liabilities:		
Current liabilities:		
Accounts payable	8,809	-
Accrued wages and benefits payable	-	4,443
Due to other funds	5,627	49,961
Due to other governments	65,235	2,138
Compensated absences payable - current	-	14,262
Due to clients	2,142	-
Employee withholding payable	-	982
OPWC loans payable	3,174	-
Total current liabilities	<u>84,987</u>	<u>71,786</u>
Long-term liabilities:		
Compensated absences payable	-	39,196
OPWC loans payable	47,614	-
Net pension liability	-	186,111
Total long-term liabilities	<u>47,614</u>	<u>225,307</u>
Total liabilities	<u>132,601</u>	<u>297,093</u>
Deferred inflows of resources:		
Pension	-	3,854
OPEB	-	3,866
Total deferred inflows of resources	<u>-</u>	<u>7,720</u>
Net position:		
Net investment in capital assets	2,948,965	-
Restricted for OPEB	-	6,310
Unrestricted	<u>1,602,860</u>	<u>(3,978)</u>
Total net position	<u>\$ 4,551,825</u>	<u>\$ 2,332</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

AUGLAIZE COUNTY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities - Enterprise Fund Sewers	Governmental Activities - Internal Service Funds
Operating revenues:		
Charges for services	594,805	4,688,715
Other	1,418	1,462
Total operating revenues	<u>596,223</u>	<u>4,690,177</u>
Operating expenses:		
Personal services	-	211,824
Contractual services	562,196	4,216,646
Materials and supplies	615	263,860
Other	-	19,018
Depreciation	148,845	-
Total operating expenses	<u>711,656</u>	<u>4,711,348</u>
Operating (loss)	<u>(115,433)</u>	<u>(21,171)</u>
Nonoperating revenues:		
Intergovernmental	<u>118,727</u>	<u>-</u>
Change in net position	3,294	(21,171)
Net position at beginning of year	<u>4,548,531</u>	<u>23,503</u>
Net position at end of year	<u><u>\$ 4,551,825</u></u>	<u><u>\$ 2,332</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

AUGLAIZE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities - Enterprise Fund Sewers	Governmental Activities - Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 593,714	\$ 207,318
Cash received from interfund services provided	-	4,468,198
Cash payments to employees	-	(156,131)
Cash payments for contractual services	(533,477)	(4,216,646)
Cash payments for materials and supplies	(615)	(263,860)
Cash payments for other operations	(1,200)	(19,018)
Net cash provided by operating activities	<u>58,422</u>	<u>19,861</u>
Cash flows from noncapital financing activities:		
Cash received from grants and subsidies	<u>118,727</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>118,727</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(66,068)	-
Principal paid on OPWC loans	<u>(3,174)</u>	<u>-</u>
Net cash (used in) capital and related financing activities	<u>(69,242)</u>	<u>-</u>
Net increase in cash and cash equivalents	107,907	19,861
Cash and cash equivalents at beginning of year	1,429,533	113,559
Cash and cash equivalents at end of year	<u><u>\$ 1,537,440</u></u>	<u><u>\$ 133,420</u></u>
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	\$ (115,433)	\$ (21,171)
Adjustments:		
Depreciation	148,845	-
Changes in assets and liabilities:		
(Increase) in accounts receivable	(5,690)	(11,181)
Decrease in special assessments receivable	3,175	-
(Increase) in due from other funds	-	(3,480)
Decrease in due from other governments	-	18,990
Decrease in deferred outflows - pension	-	29,410
Decrease in deferred outflows - OPEB	-	7,744
(Increase) in net OPEB asset	-	(6,310)
(Decrease) in employee payroll withholding	-	(89)
Increase in accounts payable	2,531	-
Increase in accrued wages and benefits	-	1,657
(Decrease) in due to other funds	(1,200)	(18,990)
Increase in due to other governments	26,188	242
Increase in due to clients	6	-
(Decrease) in net pension liability	-	(28,596)
(Decrease) in net OPEB liability	-	(4,473)
Increase in deferred inflows - pension	-	717
Increase in deferred inflows - OPEB	-	1,933
Increase in compensated absences payable	-	53,458
Net cash provided by operating activities	<u><u>\$ 58,422</u></u>	<u><u>\$ 19,861</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

AUGLAIZE COUNTY

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2024

	<u>Custodial</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 3,360,395
Cash in cash equivalents in segregated accounts	1,152,580
Receivables (net of allowances for uncollectibles):	
Property taxes	85,476,700
Special assessments	1,233,536
Accounts	15,129
Due from other governments	8,527,132
Prepayments	<u>4,556</u>
Total assets	<u>99,770,028</u>
Liabilities:	
Accounts payable	184,050
Accrued wages and benefits	49,627
Due to other governments	6,259,108
Due to other funds	136
Undistributed assets	1,152,580
Employee withholdings payable	<u>11,085</u>
Total liabilities	<u>7,656,586</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	85,340,959
Delinquent property tax revenue not available	<u>135,741</u>
Total deferred inflows of resources	<u>85,476,700</u>
Net position:	
Restricted for individuals, organizations and other governments	<u><u>\$ 6,636,742</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

AUGLAIZE COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Custodial</u>
Additions:	
Intergovernmental	\$ 5,875,722
Amounts received as fiscal agent	4,030,066
Licenses, permits and fees for other governments	914,492
Property tax collections for other governments	52,999,388
Other custodial collections	<u>579,154</u>
Total additions	<u>64,398,822</u>
Deductions:	
Distributions to the State of Ohio	150
Distributions of state funds to other governments	5,743,749
Distributions as fiscal agent	4,111,100
Licenses, permits and fees distributions to other governments	874,921
Property tax distributions to other governments	53,221,523
Other custodial disbursements	<u>211,116</u>
Total deductions	<u>64,162,559</u>
Change in net position	236,263
Net position beginning of year	<u>6,400,479</u>
Net position end of year	<u><u>\$ 6,636,742</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - DESCRIPTION OF THE ENTITY

Auglaize County, Ohio (the "County") was formed by an act of the Legislature on February 14, 1848. 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 Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, a Probate/Juvenile and Domestic Relations Court Judge, and a Municipal 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.

A. Reporting Entity

The County's reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units", as amended by GASB Statement No. 61. "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34." The basic financial statements include all funds, agencies, boards, commissions, and other component units for which Auglaize County and the County Commissioners are "accountable". Accountability as defined in GASB Statement No. 14 was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County and whether exclusion would cause the County's basic financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of PCU's board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County.

Certain funds are legally separate from the County, however, their activity is so intertwined with that of the County that they are reported as part of the County. The following funds have been included or blended into the County's basic financial statements:

Auglaize County Children's Services Board (CSB)

The County Commissioners approve the budget for the CSB and are substantially involved in its operation. The operations of the CSB are accounted for as a separate special revenue fund.

The Auglaize County Board of Developmental Disabilities

The Board is appointed by the Probate Judge and the County Commissioners. The Commissioners serve as the appropriating authority for the Board and are "accountable" for its activities. The operations of ACDD are accounted for as a separate special revenue (major) fund.

B. Discretely Presented Component Unit

Auglaize County Airport Authority

The Commissioners are substantially involved in the operations of the Airport Authority. The operations of the Airport Authority are accounted for using proprietary fund accounting. The Airport Authority meets the requirements and qualifies as a component unit of the County; however, it has not been presented in the financial statements or note disclosure as it is considered immaterial. Complete financial statements may be obtained from the Auglaize County Airport Authority, 07776 St. Rt. 219, New Knoxville, OH 45871.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - DESCRIPTION OF THE ENTITY - (Continued)

C. Potential Component Units Reported As Custodial Funds

In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent, but is not accountable as defined in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61, accordingly, the activity of the following districts and agencies are included in the financial statements as custodial funds:

- Auglaize County General Health District
- Auglaize County Soil and Water Conservation District
- Auglaize County Regional Planning Commission
- Auglaize County Family and Children First Council
- Heritage Trails Park District

D. Excluded Potential Component Units

The County is not accountable, as defined in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61, for the following entities and is not involved with their activities in any substantial capacity; accordingly their activities have been excluded from the County's basic financial statements.

- Auglaize County Public District Library
- Auglaize County Agricultural Society
- Auglaize County Cooperative Extension Services
- Auglaize County Historical Society
- Auglaize County Council on Aging
- Auglaize County Child Abuse and Neglect Advisory Board
- Auglaize County Humane Society

The County is associated with the following risk pools, jointly governed organizations and joint ventures which are described in Notes 18 through 20.

- Midwest Pool Risk Management Agency, Inc.
- Midwest Employee Benefit Consortium
- County Commissioner Association of Ohio Workers' Compensation Group Rating Plan
- Auglaize County Regional Planning Commission
- Workforce Innovations and Opportunity Act Consortium of Auglaize, Hardin, Mercer and Van Wert Counties
- West Central Ohio Network
- Auglaize and Mercer Counties Convention and Visitors' Bureau
- Volunteer Peace Officers Dependents Fund Board
- Grand Lake St Marys Restoration Community Improvement Corporation
- Grand Lake St. Marys Lake Facilities Authority
- Western Ohio Rural Transportation Planning Organization
- Grand Lake Task Force
- Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties

The accounting policies and practices of Auglaize County conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units, as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant of the County's accounting policies are described below.

A. Basis of Presentation - Fund Accounting

1. Government-wide Statements

The statement of net position and the statement of activities display information about the government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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 the different business-type activities of the County and for each function for the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities.

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. 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.

2. Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category-governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column.

All remaining governmental and proprietary funds are aggregated and reported as non-major funds. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements.

a. Governmental Funds

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

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following are the County's major governmental funds:

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

Motor Vehicle License and Gasoline Tax (MVGT) Fund - The Motor Vehicle License and Gasoline Tax fund accounts for gasoline tax and license revenue used for road and bridge maintenance in the County.

Auglaize County Development Disabilities (ACDD) Fund - The Auglaize County Developmental Disabilities Fund accounts for a County-wide property tax levy, state grants and reimbursements used to provide comprehensive education and rehabilitation programs and services to developmentally disabled individuals residing in the county.

Permanent Improvement Fund - The Permanent Improvement fund accounts for sales tax revenue used to complete projects and improvements relating to the County's infrastructure.

b. Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are used to account for the County's ongoing activities which are financed and operated in a manner similar to the private sector.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user fees or charges; or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control or accountability. The County's enterprise fund consists of the Sewer Funds, which account for sewer revenue fees used for sewer maintenance in the County.

Internal Service Funds - These funds are used for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The County's internal service funds account for monies received from the activities of the insurance programs for employee health, vision, drug card benefits and flexible spending; and for various rotary services such as police protection, gasoline and salt.

c. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

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

B. Measurement Focus and Basis of Accounting

1. Government-Wide Financial Statements

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

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows and current liabilities, deferred inflows are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (e.g., revenues and other financing sources) and uses (e.g., 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 reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets, deferred outflows and all liabilities, deferred inflows associated with the operation of these funds are included on the statement of fund net position.

The statement of revenues, expenses, and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in the total net position. The statement of cash flows reflects 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.

C. 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 basis 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.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. 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 year end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, casino revenue, grants, entitlements and donations. On an accrual basis, revenue from sales taxes and casino revenue are recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 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 non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax, interest, casino revenue, federal and state grants and subsidies, state levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

2. Deferred Inflows of Resources and Deferred Outflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 11 and 12 for deferred outflows of resources related to net pension liability and net OPEB asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance 2025 operations. These amounts have been recorded as a deferred inflow of resources 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. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

See Notes 11 and 12 for deferred inflows of resources related to net pension liability and net OPEB asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

3. Expenses/Expenditures

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

4. Pensions/Other Postemployment Benefits (OPEB)

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

D. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by County Commissioners. The legal level of control has been established by the County Commissioners at the personal services and other expense classification levels within each department for the General Fund and for all other funds.

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

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

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled, except for cash held by a trustee or fiscal agent and in segregated accounts. Monies for all funds, including proprietary funds are included in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is reported as "Equity in Pooled Cash and Cash Equivalents." Cash and cash equivalents that are held separately within departments of the County, or in outside accounts in the name of various elected officials or departments are reported as "Cash and Cash Equivalents in Segregated Accounts." Cash held by the West Central Ohio Network (WestCon) on behalf of the County is reported as "Cash and Cash Equivalents with Fiscal Agent".

During 2024, investments were limited to money market funds, US Agency notes and bonds, negotiable CDs, and STAR Ohio. Except for money market investments and STAR Ohio that had a remaining maturity of one year or less at the time of purchase, investments are reported at acquisition value which is based on quoted market prices. Money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

During 2024, the County invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The County measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Following Ohio statutes, the County is required to credit all investment earnings to the General Fund, unless otherwise expressly required by law to allocate to other funds. Interest is distributed to the General Fund, the Motor Vehicle License and Gasoline Tax Special Revenue Fund, Permanent Improvement Fund, St. Marys River Project Special Revenue Fund, the HAVA Cyber Security Special Revenue Fund, and the Auglaize School Group Home Special Revenue Fund. Total investment revenue earned during 2024 was \$2,053,995. The General Fund was credited \$2,008,012 and of this amount \$1,356,122 was assigned from other funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased are considered to be cash and cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

F. Inventory of Supplies

Inventories are stated at lower of cost or market value on a first-in, first-out basis. The costs of inventory items are expensed when consumed or used.

G. Prepaids

Payments made to vendors for services that will benefit periods beyond December 31, 2024, 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.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

H. Receivables and Payables

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. Using these criteria, the County has elected not to record child support arrearages or various court receivables within the special revenue and custodial funds. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

I. Inter-fund Receivables and Payables

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

J. Capital Assets and Depreciation/Amortization

The capital asset values were initially determined at December 31, 1990, assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated capital assets are capitalized at acquisition value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost. The cost of interest on debt issued for construction in progress is not capitalized. The County maintains a capitalization threshold of five thousand dollars. In addition, assets having an estimated useful life of more than one year that are below the \$5,000 threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported on the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements.

Infrastructure assets are reported as part of Capital Assets Being Depreciated in the governmental activities column. Infrastructure reported in the governmental activities column consists of County bridges and roads. In addition, expenditures made by the County to preserve existing bridges and roads are expensed rather than capitalized. Only expenditures for additions or improvements are capitalized.

Capital assets used by the enterprise funds are reported in both the business-type activities column on the government-wide statement of net position and in the respective funds. All reported capital assets are depreciated except for land, some land improvements and construction in progress.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Depreciation/amortization is computed using the straight-line method over the following useful lives:

Description	Estimated Life
Sewer and Water Treatment Plants and Lines	50 years
Buildings and Improvements	10-30 years
Bridges	40 years
Roads	15 years
Cruisers	2 years
Furniture and Fixtures	10-20 years
Machinery and Equipment	7-15 years
Licensed Vehicles (except Cruisers)	6 years
Software	3 years
Intangible leased assets	5 years

The County is reporting intangible right to use assets related to leased equipment, vehicles, and software. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

K. Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - vacation, sick leave and comp time. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. Vacation can only be accumulated up to 3 years' worth on the employee's anniversary date.

Sick Leave

The County's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the County and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences. At retirement an employee with years of service of 10-25 years of service can be paid out up to 25% or 240 hours of their accrued sick leave balance, if the employee is employed with Auglaize County for 25 years or more, they can be paid out for their accrued sick leave balance up to 50% of accumulated balance with a max of 480 hours

Comp Time

The County's policy permits employees to accumulate earned but unused comp time, which are eligible for payment at the employee's current pay rate upon separation from employment.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported in 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, judgments, compensated absences, leases, special termination benefits and contractually required pension contributions 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.

M. Net Position

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for specific county operations and federal and state grants restricted to expenditure for specified 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.

N. Capital Contributions

Capital contributions arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction or transfers of capital assets between governmental and business type activities. These assets are recorded at their acquisition value on the date contributed. Contributed resources are reported as capital contributions within the financial statements pursuant to GASB 33 *"Accounting and Reporting for Non-exchange Transactions"*.

O. Fund Balance

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

Non-spendable – The non-spendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes the long-term portion related to due from other funds.

Restricted – The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributions, or law or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (County resolutions). Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate, payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Committed – The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. The 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.

In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Commissioners or by a County official delegated that authority by resolution, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (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.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for sewer services, as well as charges for internal service fund activities. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

Q. Inter-fund Transactions

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

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 other non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transactions that constitute reimbursements for expenditures or expenses initially made from a fund that are properly allocable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures and expenses in the fund that is reimbursed.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

R. Use of 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 could differ from those estimates.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2024, the County has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*", GASB Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*", Implementation Guide No. 2023-1 and GASB Statement No. 101, "*Compensated Absences*".

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously report by the County.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the County.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the County.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

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

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
WIOA	\$ 39,274
ODD Brownfield Koenig	40,045
Children's Services	548,629
911 Assistance Fund	908
DOD Demo/Site Rev Grant	116,976
2022 CHIP CDBG	3,824
2023 CDBG Grant	460
2022 CHIP Home	14,402
ODOT Apron Rehab Phase 2	9,667
Local Fiscal Recovery	3,125

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

C. Change within the Financial Reporting Entity

For 2024, the County's local fiscal recovery presentation was adjusted from major to nonmajor due to no longer meeting the qualitative threshold for a major fund. This change is separately displayed in the financial statements and was related to the implementation of GASB 100.

D. Restatement of Net Position

During 2024, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "Compensated Absences". The effect of changing the accounting principle is shown in the table below.

	<u>12/31/2023 As Previously Reported</u>	<u>Change in Accounting Principle</u>	<u>12/31/2023 As Restated</u>
Net Position			
Governmental Activities	<u>\$ 85,026,870</u>	<u>\$ (2,394,606)</u>	<u>\$ 82,632,264</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested in the following securities:

1. United States treasury bills, bonds, notes or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal or interest by the United States; or any book entry, zero coupon United States treasury security that is a direct obligation of the United States;

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

2. Bonds, notes debentures, or any other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit, or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division 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 described in division (1) or (2) or cash or both cash and securities, equal value for equal value;
9. High grade commercial paper and bankers acceptances in an amount not to exceed up to twenty five percent of the County's total portfolio and corporate notes not to exceed up to fifteen percent of the County's total average portfolio; and

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. Bankers' acceptances must mature within 180 days, commercial paper within 270 days, and corporate notes within two years after purchase.

All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt and the investment advisory committee specifically approves it. Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash On Hand - At December 31, 2024, cash on hand amounted to \$10,416.

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, the carrying amount of the County's deposits was \$5,916,315. Of the County's bank balance of \$7,338,606, \$5,928,105 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 and deposited either with the County or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution 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 all securities to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

B. Investments

As of December 31, 2024, the County had the following investments with the listed maturity periods:

Measurement/ <u>Investment type</u>	Measurement Value	Investment Maturities			
		1 Year or Less	1 to 2 Years	2 to 3 Years	More than 3 Years
<i>Fair Value:</i>					
FFCB	\$ 3,500,505	\$ -	\$ -	\$ 1,000,980	\$ 2,499,525
FHLB	13,926,946	3,904,910	5,321,623	3,199,858	1,500,555
FHLMC	1,742,090	743,340	-	-	998,750
FNMA	997,630	-	-	-	997,630
U.S. Treasury Bills	993	993	-	-	-
U.S. Treasury Notes	12,828,391	12,828,391	-	-	-
Negotiable CDs	2,533,907	717,954	622,323	-	1,193,630
U.S. Government Money					
Market Mutual Funds	6,385,205	6,385,205	-	-	-
<i>Amortized Cost:</i>					
STAR Ohio	11,572,645	11,572,645	-	-	-
Total	\$ 53,488,312	\$ 36,153,438	\$ 5,943,946	\$ 4,200,838	\$ 7,190,090

The County's investment policy does not address any restriction on investments relating to interest rate (the risk that changes in interest rates will adversely affect the fair value of an investment), or custodial credit risks (the risk that in the event of failure of the counterparty, the County will not be able to recover the value of its investments or securities that are in the possession of an outside party). The federal agency securities are subject to custodial risk since they are uninsured, unregistered, and held by the counterparty's trust department or agent and not in the County's name.

The investment policy restricts the Treasurer from investing in anything other than as identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the County. The Treasurer is also restricted from purchasing investments that cannot be held until the maturity date. All of the County's investments carry a rating of Aaa by Moody's. Standard & Poor's has assigned STAR Ohio an AAAm money market rating.

County diversifies its investments by security, type, and the institution. The County addresses concentration of credit risk by requiring that with the exception of direct obligations of the U. S. Treasury, no more than 50 percent of the County's total investment portfolio will be invested in a single security type or with a single financial institution.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The following table indicates the percentage of each investment to the total portfolio:

Measurement/ <u>Investment type</u>	Measurement Amount	% of Total
<i>Fair Value:</i>		
FFCB	\$ 3,500,505	6.54%
FHLB	13,926,946	26.03%
FHLMC	1,742,090	3.26%
FNMA	997,630	1.87%
U.S. Treasury Bills	993	0.00%
U.S. Treasury Notes	12,828,391	23.98%
Negotiable CDs	2,533,907	4.74%
U.S. Government Money		
Market Mutual Funds	6,385,205	11.94%
<i>Amortized Cost:</i>		
STAR Ohio	<u>11,572,645</u>	<u>21.64%</u>
Total	<u>\$ 53,488,312</u>	<u>100.00%</u>

Beginning in 2016, Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application," was effective. Accordingly, 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, 2024. All of the County's investments measured at fair value are valued using quoted market prices (Level 1 inputs).

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and public utility tangible personal property located in the County. Taxes collected on real property (other than public utility property) 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 Tax Commissioner at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation update was completed for tax year 2023 (calendar year 2024). Real property taxes are payable annually or semiannually. The first payment is due February 15, with the remainder payable by July 15.

Property tax revenues received in 2024 represents the collection of 2023 taxes for real and public utility property taxes. Real and public utility real and tangible personal property taxes received in 2024 became a lien on December 31, 2023, were levied after October 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value. Public utility real 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 preceding the tax collection year, the lien date.

Certain public utility tangible personal property currently is assessed at one hundred 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 taxes on behalf of all taxing districts within the County, and the County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, is accounted for through custodial funds.

Accrued property taxes receivable represents delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2024. 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 2024 operations.

AUGLAIZE COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 5 - PROPERTY TAXES - (Continued)

The full tax rate for all County operations for the year ended December 31, 2024, was \$9.25 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2024 property tax receipts were based are as follows:

Real Property:	
Agricultural/Residential	\$ 1,348,209,730
Commercial/Industrial/Mineral	193,657,220
Public Utility Real	649,860
Tangible Personal Property:	
Public Utility	72,122,000
Total Assessed Value	<u>\$ 1,614,638,810</u>

NOTE 6 - PERMISSIVE SALES AND USE TAX

The County Commissioners by resolution imposed a one and one half percent tax on all retail sales, 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 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 State then has five days in which to draw the warrant payable to the County.

Proceeds of the permissive sales tax are to be credited to the General Fund with the exception of monthly amounts to be credited to the Permanent Improvement Fund. Effective April 1, 2022 the monthly distribution to the Permanent Improvement Fund was \$200,000. Effective September 1, 2023 the monthly distribution to the Permanent Improvement Fund increased to \$250,000. The sales tax revenue for 2024 amounted to \$9,958,036 in the General Fund and \$3,000,000 was credited to the Permanent Improvement Fund. Motor vehicle permissive taxes in the amount of \$165,127 was credited to the Permissive Tax Fund and use taxes in the amount of \$599,481 was credited to the Motor Vehicle License and Gasoline Tax Fund.

A receivable is recognized at year-end for amounts that will be received from sales which occurred during 2024. 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 deferred.

THIS SPACE INTENTIONALLY LEFT BLANK

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 - INTERFUND TRANSACTIONS

As of December 31, 2024, due from/to other funds that resulted from various inter-fund transactions were as follows:

Due To Other Funds	General	MVGT	Permanent Improvement	Other Govtl	Internal Service	Total
General	\$ 13,482	\$ -	\$ -	\$ -	\$ -	\$ 13,482
MVGT	-	-	-	6,366	-	6,366
ACDD	-	-	-	-	68	68
Other Governmental	9,556	2,155	-	146,397	20,901	179,009
Sewers	5,627	-	-	-	-	5,627
Internal Service	-	-	49,961	-	-	49,961
Custodial	-	8	-	-	128	136
Due From Other Funds	<u>\$ 28,665</u>	<u>\$ 2,163</u>	<u>\$ 49,961</u>	<u>\$ 152,763</u>	<u>\$ 21,097</u>	<u>\$ 254,649</u>

Operating Transfers	Transfer In	Transfer Out
MVGT	-	20,300
ACDD	-	50,000
Other Governmental Funds	160,116	89,816
	<u>\$ 160,116</u>	<u>\$ 160,116</u>

NOTE 8 - RECEIVABLES

Receivables at December 31, 2024 consist of taxes, accounts (billings for user charged services), settlements, special assessments, interest, due from other funds, and due from other government receivables arising from grants, entitlements and shared revenues. All receivables are expected to be collected within the subsequent year with the exception of the opioid settlement receivable which will be collected over the course of the settlement agreements. Receivables in the amount of \$310,439 will not be received within one year. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. A summary of the principal items of due from other government receivables follows:

General Fund	Amount
Public Defender Reimbursement	\$ 303,501
Casino Revenue	332,629
Local Government	240,971
Homestead and Rollback	260,778
Total General Fund	<u>1,137,879</u>

MVGT Fund	Amount
Motor Vehicle License Tax	776,658
Permissive Motor Vehicle License Tax	261,124
Gasoline Tax	1,555,381
Total MVGT Fund	<u>\$ 2,593,163</u>

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 - RECEIVABLES - (Continued)

DD Fund	Amount
Homestead and Rollback	\$ 322,899
Title XIX	37,494
Total DD Fund	<u>360,393</u>
Other Funds	
Public Assistance	226,419
Motor Vehicle Permissive Tax	71,211
Sheriff CPT	3,064
Dart Grant	3,510
Child Support Enforcement Agency Grant	49,137
Total Other Funds	<u>353,341</u>
Total Governmental Funds Due From Other Governments	<u><u>4,444,776</u></u>
Internal Service	
Other Political Subdivisions	49,961
Total Internal Service Funds Due From Other Governments	<u>49,961</u>
Total Due From Other Governments	<u>\$ 4,494,737</u>

THIS SPACE INTENTIONALLY LEFT BLANK

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 - RECEIVABLES - (Continued)

A summary of the principal items of accounts receivables follows:

General Fund	<u>Amount</u>
Charges for Services	\$ 274,109
MVGT Fund	
Engineer Fees	14,753
ACDD Fund	
Other	11,130
Permanent Improvement Fund	
Charges for Services	751
Other Funds	
Recycle Sales	9,649
Charges for Services	321,451
Inmate Telephone	1,452
Total Other Funds	<u>332,552</u>
Total Governmental Funds Accounts Receivable	<u>633,295</u>
Internal Service	
Other	<u>28,823</u>
Sewer Funds	
Sewer Charges	<u>96,446</u>
Total Sewer Funds	<u>96,446</u>
Total Accounts Receivable	<u>\$ 758,564</u>

Leases Receivable

The County is reporting leases receivable of \$103,176 in the general fund. For fiscal year 2024, the County recognized lease revenue of \$172,408, which is reported in other revenue, and interest revenue of \$4,843.

The County has entered into lease agreements with the following terms:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Cell tower	2023	2	2025	Annual
Building space	2023	2	2025	Monthly
Radio Tower	2010	20	2030	Monthly
Building space	2020	5	2025	Monthly

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 - RECEIVABLES - (Continued)

Lease payments will be paid into the general fund. The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 79,863	\$ 1,982	\$ 81,845
2026	4,952	640	5,592
2027	5,141	487	5,628
2028	5,300	328	5,628
2029	5,543	164	5,707
2030	<u>2,377</u>	<u>19</u>	<u>2,396</u>
Total	<u>\$ 103,176</u>	<u>\$ 3,620</u>	<u>\$ 106,796</u>

THIS SPACE INTENTIONALLY LEFT BLANK

AUGLAIZE COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

Governmental Activities	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024
Non Depreciable/Appreciable Assets:				
Land	\$ 2,383,036	\$ 871,370	\$ -	\$ 3,254,406
Construction in Progress	896,934	4,038,129	(307,692)	4,627,371
Total Non Depreciable/Appreciable	<u>3,279,970</u>	<u>4,909,499</u>	<u>(307,692)</u>	<u>7,881,777</u>
Depreciable/Appreciable Assets:				
Land Improvements	5,791,836	395,117	(27,813)	6,159,140
Buildings & Improvements	33,564,166	418,804	(249,572)	33,733,398
Infrastructure	59,499,577	1,966,059	(35,444)	61,430,192
Equipment,Furniture,Fixtures	19,064,365	2,217,936	(654,487)	20,627,814
Intangible right to use:				
Software	-	252,959	-	252,959
Leased equipment	306,634	4,934	-	311,568
Leased vehicles	40,973	263,228	(40,973)	263,228
Total Depreciable/Appreciable	<u>118,267,551</u>	<u>5,519,037</u>	<u>(1,008,289)</u>	<u>122,778,299</u>
Accumulated Depreciation/Amortization:				
Land Improvements	(4,825,594)	(150,750)	27,813	(4,948,531)
Buildings & Improvements	(19,397,179)	(1,061,373)	129,636	(20,328,916)
Infrastructure	(33,094,711)	(1,602,485)	35,444	(34,661,752)
Equipment,Furniture,Fixtures	(13,845,452)	(1,388,806)	654,486	(14,579,772)
Intangible right to use:				
Software	-	(42,160)	-	(42,160)
Leased equipment	(62,834)	(64,374)	-	(127,208)
Leased vehicles	(25,608)	(56,631)	40,973	(41,266)
Total Accumulated Depreciation/Amortization	<u>(71,251,378)</u>	<u>(4,366,579)</u>	<u>888,352</u>	<u>(74,729,605)</u>
Net Depreciable/Appreciable Assets	<u>47,016,173</u>	<u>1,152,458</u>	<u>(119,937)</u>	<u>48,048,694</u>
Total Governmental Activities				
Capital Assets (Net)	<u>\$ 50,296,143</u>	<u>\$ 6,061,957</u>	<u>\$ (427,629)</u>	<u>\$ 55,930,471</u>

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation/amortization expense was charged to governmental programs as follows:

General Government - Legislative and Executive	\$ 1,143,116
General Government - Judicial	579,537
Public Safety	168,316
Public Works	2,090,940
Health	351,128
Human Services	33,542
Total Depreciation/Amortization Expense	<u>\$ 4,366,579</u>

	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024
Business-Type Activities				
Non Depreciable Assets:				
Land	\$ 100,686	\$ 16,000	\$ -	\$ 116,686
Construction in Progress	6,900	-	-	6,900
Total Non Depreciable	<u>107,586</u>	<u>16,000</u>	<u>-</u>	<u>123,586</u>
Depreciable Assets:				
Buildings & Improvements	81,837	-	-	81,837
Sewer – Infrastructure	7,078,281	50,068	-	7,128,349
Equip, Furn & Fixtures	94,401	-	-	94,401
Total Depreciable	<u>7,254,519</u>	<u>50,068</u>	<u>-</u>	<u>7,304,587</u>
Accumulated Depreciation:				
Buildings & Improvements	(25,311)	(3,444)	-	(28,755)
Sewer – Infrastructure	(4,213,015)	(135,799)	-	(4,348,814)
Equip, Furn & Fixtures	(41,249)	(9,602)	-	(50,851)
Total Accumulated Depreciation	<u>(4,279,575)</u>	<u>(148,845)</u>	<u>-</u>	<u>(4,428,420)</u>
Net Depreciable Assets	<u>2,974,944</u>	<u>(98,777)</u>	<u>-</u>	<u>2,876,167</u>
Business Type Activities				
Capital Assets (Net)	<u>\$ 3,082,530</u>	<u>\$ (82,777)</u>	<u>\$ -</u>	<u>\$ 2,999,753</u>

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 10 - RISK MANAGEMENT

A. Transference of Risk: Property, Crime and Liability

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. The County participates in the Midwest Pool Risk Management Agency, Inc. (MPRMA) (the Pool) which is a public entity risk pool, (see Note 18) for general liability, automobile liability, public officials' liability and property and crime insurance.

Coverage provided by the pool is as follows:

Property	
Maximum per occurrence	\$ 120,459,000
Subject to following sublimits	
Flood*	36,000,000
Earthquake*	36,000,000
Demolition and Increased Cost of Construction	1,000,000
Computer Equipment & Media	1,275,000
Valuable Papers	100,000
Account Receivable	100,000
Mobile Equipment	4,247,000
Fine Arts	100,000
Automatic Builders' Risk	1,000,000
Automatic Newly-Acquired Property	1,000,000
Crime	
Employee Dishonesty and Faithful Performance	500,000
Money and Securities (Inside and Outside)	500,000
Forgery and Alteration	500,000
Boiler and Machinery	100,000,000
Liability	
Maximum per occurrence	7,000,000
Subject to following sub-limits	
General, Law, Auto	7,000,000
Employee Benefits*	7,000,000
Ohio Stop Gap	7,000,000
Public Official Errors & Omissions*	7,000,000
Sexual Harassment*	1,000,000
Pollution Liability	1,000,000

Limits include the pool self-insured retentions.

*Limit is annual aggregate

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 10 - RISK MANAGEMENT - (Continued)

Each member pays the first \$500 (deductible) of any physical damage to County automobiles, and crime loss involving county property. The pool pays (self-insured retention) for the next:

Crime, Pollution	\$ 25,000	per occurrence
Property, Auto, Physical Damage	100,000	per occurrence
Liability	100,000	per occurrence
Combined loss maximum	100,000	per occurrence

The Pool purchases excess commercial insurance to pay for claims in excess of the above member deductibles and pool self-insurance retentions. This insurance provides the following insurance limits:

Property and Auto Physical Damage	\$124,822,000
Crime	500,000
Liability	7,000,000
Pollution Liability	1,000,000

The amount of any claim or loss in excess of these amounts would be the responsibility of the County that incurred the claim or loss.

Member contributions to the Pool are adjusted annually and are calculated to annually produce a sufficient sum of money to pay Pool expenses including estimated Pool self-insured losses and claims adjustment expense.

Under the terms of Pool membership, should the annual member contributions not be sufficient to fully fund Pool expenses including ultimate losses, the Board of Trustees can require supplementary contributions. Supplementary contributions, if required, would be based on the Members' pre-determined percentage share of Pool costs for that year. Supplementary contributions can be accessed during the entire life of the Association and any later period when claims or expenses need to be paid which are attributable to any membership year during which the event or claim occurred.

Provisions for claim reserves and loss adjustment expenses are based on information reported by members and are calculated by the Pool's claim administrator and independent actuary. These amounts represent an estimate of reported, unpaid claims, plus provisions for claims incurred and not reported. The Pool's management believes that the estimate of the liability for claim reserves is reasonable in the circumstances; however, actual incurred losses and loss adjustment expenses may not conform to the assumptions inherent in the determination of the liability. Accordingly, the ultimate settlement of losses and related loss adjustment expenses may vary from the estimated amount included in the accompanying financial statements. Should the provision for claims reserves not be sufficient, supplemental contributions, as discussed above, will be assessed.

To lower costs to pool members, MPRMA joined with other Ohio public entities to form a new excess pool called the Public Entity Risk Consortium (PERC). The PERC pool provides self-insured retentions for each of the member pools as follows: Property – up to \$250,000 per occurrence, Liability – up to \$500,000 per occurrence and annual Stop Loss for the period of 12/1/22 through 11/30/23 up to \$2,000,000 maximum. As of November 30, 2023 PERC has cash reserves of \$9,966,602 which, in the opinion of an outside actuary and management, is adequate for any claims currently pending against the pool.

Settled claims have not exceeded commercial coverage in any of the last three years. There has been no significant change in this coverage from the prior year.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 10 - RISK MANAGEMENT - (Continued)

B. Transference of Risk: Employee Health Insurance

The County is part of the Midwest Employee Benefit Consortium (MEBC) (the Consortium) for its employee health insurance, and retains no risk for this plan (see Note 18). Member contributions are calculated to annually produce a sufficient sum of money within the self-insurance pool adequate to fund administrative expenses of the Association and to create adequate reserves for claims and unallocated loss adjustment expenses. Under the terms of membership, should annual member contributions not be sufficient to fund ultimate losses, establish adequate reserves and cover administrative expenses, the Board of Trustees can require supplementary contributions. Supplementary contributions can be assessed during the entire life of the Association and any later period when claims or expenses need to be paid which are attributable to any membership year during which the event or claim occurred.

Provisions for claims reserves and loss adjustment expenses are based on information reported by members and are calculated by the Consortium's claims administrator. These amounts represent an estimate of reported, unpaid claims, plus a provision for claims incurred and not reported. The Consortium's management believes that the estimate of liability for claim reserves is reasonable in the circumstances; however, actual incurred losses and loss adjustment expenses may not conform to the assumptions inherent in the determination of the liability. Accordingly, the ultimate settlement of losses and related loss adjustment expenses may vary from the estimated amounts included in the accompanying financial statements. Should the provision for claims reserves not be sufficient, supplemental contributions, as discussed above, will be assessed.

C. Transference of Risk: Workers Compensation Insurance

For 2024, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Retrospective Rating Plan (the Plan), an insurance purchasing pool (See Note 18). The plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than the individual rate.

In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, annually the Plan's executive committee calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from, or pays rate equalization rebates to the various participants. Participation in the plan is limited to counties that can meet the Plans' selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

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

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 10 - RISK MANAGEMENT - (Continued)

D. Retention of Risk: Flexible Spending, Health Savings Account, Employee Drug Card and Reimbursed Health Claims

In addition to the basic Health Care Benefit Plan, the County has established a "Flexible Spending Account" and/or a "Health Savings Account" to supplement the services provided under the Basic Health Care Benefit Plan and the County self-funds an employee health care/prescription drug card administered through Northwest Group Services.

1. Each year the County deposits into the "flexible spending account" or the "health savings account" the amount of \$250 for a single coverage plan and \$500 for a family coverage plan. These funds may be used, as the employee determines, to cover health care expenses which are not covered under the County's basic health care program or to provide additional coverage for items which are part of the County's basic health care coverage. This flexible spending account plan is administered by Northwest Group Services Administrators. The Health Savings Accounts are administered by First Financial Bank.
2. The County's Basic Health Care Program has an agreement with Medtrak Rx to provide prescription drugs to the County's Basic Health Care Plan members. Under this program, the employee pays full price for each prescription filled until their deductible is met, and then there is a pro-rated fee.
3. The County reimburses Medicare for any past payments for services to Auglaize County employees that should have been covered by the Auglaize County Group Health plan but were originally paid by Medicare.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability and Net OPEB (Asset)

The net pension liability and the net OPEB (asset) reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

The net pension/OPEB liability (asset) represents the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability 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.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 due to other governments on both the accrual and modified accrual bases of accounting.

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

AUGLAIZE COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. 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 3.00%.

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 20.00% 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.

THIS SPACE INTENTIONALLY LEFT BLANK

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	State and Local		
	Traditional	Public Safety	Law Enforcement
2024 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2024 Actual Contribution Rates			
Employer:			
Pension *****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits *****	0.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

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

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

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

The County's contractually required contribution for the Traditional Pension Plan was \$2,529,778 for 2024. Of this amount, \$314,090 is reported as due to other governments.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share and pension expense:

	<u>OPERS - Traditional</u>
Proportion of the net pension liability/asset prior measurement date	0.10794000%
Proportion of the net pension liability/asset current measurement date	<u>0.10597200%</u>
Change in proportionate share	<u>-0.00196800%</u>
Proportionate share of the net pension liability	\$ 25,676,340
Pension expense	2,649,653

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS - Traditional</u>
Deferred outflows of resources	
Differences between expected and actual experience	\$ 419,657
Net difference between projected and actual earnings on pension plan investments	5,182,577
Changes in employer's proportionate percentage/ difference between employer contributions	3,053
Contributions subsequent to the measurement date	2,529,778
Total deferred outflows of resources	<u>\$ 8,135,065</u>

AUGLAIZE COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>OPERS - Traditional</u>
Deferred inflows of resources	
Changes in employer's proportionate percentage/ difference between employer contributions	234,976
Total deferred inflows of resources	<u>\$ 234,976</u>

\$2,529,778 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS - Traditional</u>
Year Ending December 31:	
2025	\$ 1,107,958
2026	1,693,104
2027	3,307,231
2028	<u>(737,982)</u>
Total	<u>\$ 5,370,311</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, 2023, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2023, compared to the December 31, 2022 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 2.30%, simple through 2024, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

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

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.20% for 2023.

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

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	24.00 %	2.85 %
Domestic equities	21.00	4.27
Real estate	13.00	4.46
Private equity	15.00	7.52
International equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability:			
Traditional Pension Plan	\$ 40,421,459	\$ 25,676,340	\$ 13,412,686

NOTE 12 – DEFINED BENEFIT OPEB PLANS

Net OPEB (Asset)

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

AUGLAIZE COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 12 – DEFINED BENEFIT OPEB PLANS - (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

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

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

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

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

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

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

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

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

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

Group A 30 years of qualified health care service credit;

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

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

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

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 12 – DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51.00% and 90.00% of the base allowance for both non-Medicare and Medicare retirees.

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% 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.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10.00% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20.00% per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 12 – DEFINED BENEFIT OPEB PLANS - (Continued)

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 2024, state and local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.00%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's was not required to make a contractually required contribution to fund health care in 2024.

Net OPEB (Assets), OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

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

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the net OPEB liability prior measurement date	0.10534500%
Proportion of the net OPEB (asset) current measurement date	<u>0.10421000%</u>
Change in proportionate share	<u>-0.00113500%</u>
Proportionate share of the net OPEB (asset)	\$ (870,430)
OPEB expense	(117,956)

AUGLAIZE COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 12 – DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred outflows of resources	
Net difference between projected and actual earnings on OPEB plan investments	522,737
Changes of assumptions	224,093
Changes in employer's proportionate percentage/ difference between employer contributions	125
Total deferred outflows of resources	<u>\$ 746,955</u>

	<u>OPERS</u>
Deferred inflows of resources	
Differences between expected and actual experience	\$ 123,888
Changes of assumptions	374,171
Changes in employer's proportionate percentage/ difference between employer contributions	20,121
Total deferred inflows of resources	<u>\$ 518,180</u>

\$0 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB (asset) in the year ending December 31, 2025.

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>
Year Ending December 31:	
2025	\$ (37,626)
2026	36,008
2027	406,906
2028	<u>(176,513)</u>
Total	<u>\$ 228,775</u>

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 12 – DEFINED BENEFIT OPEB PLANS - (Continued)

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 (asset) was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.70%
Prior Measurement date	5.22%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	3.77%
Prior Measurement date	4.05%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2038
Prior Measurement date	5.50% initial, 3.50% ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% 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% 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.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 12 – DEFINED BENEFIT OPEB PLANS - (Continued)

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.00% for 2023.

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.82 %
Domestic equities	25.00	4.27
Real Estate Investment Trusts (REITs)	5.00	4.68
International equities	25.00	5.16
Risk parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

Discount Rate - A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. 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) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 12 – DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the County's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB (asset) calculated using the single discount rate of 5.70%, as well as what the proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70%) or one-percentage-point higher (6.70%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB liability/(asset)	\$ 478,362	\$ (870,430)	\$ (1,987,709)

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

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

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	\$ (906,573)	\$ (870,430)	\$ (829,418)

NOTE 13 - COMPENSATED ABSENCES

Vacation is earned at rates which vary depending upon length of service and standard work week. The county currently has different policies regarding vacation leave. All of the policies allow the County employees to be paid for all earned, unused vacation leave at the time of termination of employment with more than one year of service with the County.

Employees earn sick leave at varying rates based on whether the employee is union or non-union. Upon retirement, employees with ten or more years of service are paid one-fourth of accumulated sick leave up to a maximum of 240 hours. Employees with 25 or more years of service with the county are paid one-half of accumulated sick leave up to a maximum of 480 hours.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - LEASES PAYABLE

The County has entered into lease agreements for the use of right to use equipment and vehicles. Due to the implementation of GASB Statement No. 87, the County will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund, GLTF Matching fund, the public assistance fund, ACDD fund, law library resources fund, and the emergency management fund.

The County has entered into lease agreements with the following terms:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Vehicles	2024	5	2029	Monthly
Copiers	2020-2023	5	2025-2028	Monthly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2025	133,020	10,637	143,657
2026	127,939	6,639	134,578
2027	78,542	3,303	81,845
2028	48,928	1,315	50,243
2029	21,235	297	21,532
Total	<u>\$ 409,664</u>	<u>\$ 22,191</u>	<u>\$ 431,855</u>

NOTE 15 - SBITA PAYABLE

The County has entered into SBITA agreements for the use of right to use software. Due to the implementation of GASB Statement No. 96, the County will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the real estate assessment fund.

The County has entered into SBITA agreements with the following terms:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Software	2024	5	2029	Annual

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2025	39,026	6,398	45,424
2026	40,229	5,195	45,424
2027	41,469	3,955	45,424
2028	42,747	2,676	45,423
2029	44,065	1,358	45,423
Total	<u>\$ 207,536</u>	<u>\$ 19,582</u>	<u>\$ 227,118</u>

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - DEBT OBLIGATIONS

The County's long-term obligations (all direct borrowings) at year-end consist of the following:

Governmental Activities	Original Issue	Restated Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Due Within One Year
Ohio Public Works Loans						
Salem Township Bridge	\$ 176,000	\$ 92,400	\$ -	\$ (8,800)	\$ 83,600	\$ 8,800
Glynwood Brdg-Noble Twp	230,000	161,000	-	(11,500)	149,500	11,500
Northtown Ditch	89,379	67,036	-	(4,469)	62,567	4,469
Total Ohio Public Works Loans		<u>320,436</u>	<u>-</u>	<u>(24,769)</u>	<u>295,667</u>	<u>24,769</u>
Special Assessment Notes						
Doorley #2 Ditch-3.09%	2,555	1,534	-	(1,021)	513	513
Cogan #2 Ditch -3.91%	1,112	371	-	(371)	-	-
Dickman Ditch -2.43%	21,860	17,206	-	(4,767)	12,439	4,890
Hollman - 4.24%	107,051	107,051	-	(10,705)	96,346	10,705
Ewald - 3.89%	182,301	-	182,301	(9,115)	173,186	18,230
Rogers #2 Ditch-3.45%	17,598	13,687	-	(3,911)	9,776	3,911
Doenges #2 Ditch-2.54%	48,277	36,208	-	(12,069)	24,139	12,069
Paul Jt Co Ditch-3.39%	25,415	19,768	-	(5,647)	14,121	5,648
Dearbaugh-2.95%	4,016	1,339	-	(1,339)	-	-
Culliton Ditch-2.65%	31,066	10,355	-	(10,355)	-	-
Shindollar-2.5%	5,431	1,810	-	(1,810)	-	-
Buehler Ditch -3.51%	7,095	2,366	-	(2,366)	-	-
Gross Joint-1.73%	23,766	15,836	-	(7,931)	7,905	7,905
Dowty - 4.06%	116,208	-	116,208	(5,810)	110,398	11,621
Ritter #2 Ditch-2.74%	9,932	6,621	-	(3,311)	3,310	3,310
Blasé #2 Ditch-3.15%	25,147	17,962	-	(7,185)	10,777	7,185
Accuntius Joint-1.98%	106,773	86,501	-	(20,272)	66,229	20,272
Koenig Ditch - 3.93%	95,781	-	95,781	-	95,781	9,578
Sheipline Ditch -2.68%	107,391	96,089	-	(11,304)	84,785	11,304
Meier Ditch-2.65%	4,109	1,370	-	(1,370)	-	-
Christ Hengstler - 3.81%	67,266	63,903	-	(6,727)	57,176	6,727
Seibert Ditch -2.37%	54,094	42,073	-	(12,021)	30,052	12,021
Fisher #2 Ditch-3.69%	2,435	1,737	-	(698)	1,039	697
Pleasantview-3.39%	6,692	4,780	-	(1,912)	2,868	1,912
Total Special Assessment Notes		<u>548,567</u>	<u>394,290</u>	<u>(142,017)</u>	<u>800,840</u>	<u>148,498</u>
Other Long-Term Obligations						
Compensated Absences*		4,626,218	165,944	-	4,792,162	1,630,599
Net Pension Liability		29,547,841	-	(3,871,501)	25,676,340	-
Net OPEB Liability		615,523	-	(615,523)	-	-
SBITA payable		-	252,959	(45,423)	207,536	39,026
Leases payable		262,157	263,049	(115,542)	409,664	133,020
Total Other Long-Term Obligations		<u>35,051,739</u>	<u>681,952</u>	<u>(4,647,989)</u>	<u>31,085,702</u>	<u>1,802,645</u>
Total Governmental Activities		<u>\$ 35,920,742</u>	<u>\$ 1,076,242</u>	<u>\$ (4,814,775)</u>	<u>\$ 32,182,209</u>	<u>\$ 1,975,912</u>

*The change in compensated absences liability is presented as a net change.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - DEBT OBLIGATIONS - (Continued)

Business Type Activities	Original Issue	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Due Within One Year
Ohio Public Works Loan						
KZ/Sharlon Sewers	\$ 63,484	\$ 53,962	\$ -	\$ (3,174)	\$ 50,788	\$ 3,174

The Ohio Public Works Loans (direct borrowings) are either supported by the full faith and credit of the County, or by special assessments. All outstanding special assessment notes (direct borrowings) consist of ditch projects which are payable from the proceeds of tax assessments levied against benefited individual property owners.

The County obtained a loan from the Ohio Public Works Commission in the amount of \$176,000 for a term of twenty years for the purpose of assisting in the cost of rehabilitating 2 county bridges. The infrastructure from this project is owned by the County. The OPWC loan for the Northtown Ditch, \$89,379, was obtained for the Village Waynesfield, who owns the infrastructure. The loan is for 20 years at 0% interest, the collection of special assessments against benefited property owners will pay for this loan. The County obtained a \$230,000 OPWC loan for the rehabilitation of the Glynwood Road Bridge in Noble Township, county owned infrastructure. It is a 20 year loan at 0% interest being repaid by the MVGT fund. The OPWC loan for the KZ and Sharlon Sewer Plants was issued in the total amount of \$63,484. This is County owned infrastructure and is a 20 year loan at 0% interest and will be repaid using special assessments against property owners in the sewer districts.

All special assessment notes (direct borrowings) had been issued for the terms allowed by law. These notes are to be repaid through assessments against benefited property owners. Proceeds from the notes were used for ditch construction and improvement. In the event that property owners fail to make their special assessment payments, the County is responsible for providing the resources to meet the annual principal and interest payments.

For more information on the leases payable, see Note 14. For more information on the SBITA payable, see Note 15.

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 should not 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 should not 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 effects of the debt limitations described above at December 31, 2024 are an overall debt margin of \$168,740,748 and an un-voted debt margin of \$88,805,135.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - DEBT OBLIGATIONS - (Continued)

The following is a summary of the County's future annual debt service requirements, including interest, for long-term obligations from Direct Borrowings:

Governmental Activities				Business-Type Activities		
Year	Special Assessment Notes			OPWC Promissory Loans	Total Future Debt Service	OPWC Promissory Loans
	Principle	Interest	Total	Principle		Principle
2025	\$ 148,498	\$ 28,134	\$ 176,632	\$ 24,769	\$ 201,401	\$ 3,174
2026	131,986	23,601	155,587	24,769	180,356	3,174
2027	101,758	19,562	121,320	24,769	146,089	3,174
2028	73,580	16,430	90,010	24,769	114,779	3,174
2029	162,789	19,780	182,569	24,769	207,338	3,175
2030-2034	182,229	18,583	200,812	119,445	320,257	15,870
2035-2039	-	-	-	52,377	52,377	15,872
2040	-	-	-	-	-	3,175
Total	<u>\$ 800,840</u>	<u>\$ 126,090</u>	<u>\$ 926,930</u>	<u>\$ 295,667</u>	<u>\$ 1,222,597</u>	<u>\$ 50,788</u>

The County has also received two loan agreements from the Ohio Water and Sewer Rotary Commission (direct borrowings) in regard to the construction of two sewer districts. These loans provide funding assistance for that portion of the project for which collections of assessments from certain owners of undeveloped property located within an agricultural district are exempted pursuant to Ohio Rev. Code Section 929.03 subject to the performance of certain terms and conditions of repayment.

As part of the agreement, the change of the use of any parcel, pursuant to Ohio Admin. Code Section 1525-1-06, would require repayment to the Ohio Water and Sewer Rotary Commission for the full amount of the assessment for the portion of the property for which the use has changed pursuant to Division C of Ohio Rev. Code Section 929.03. Therefore, until a change in use occurs, no liability has been recorded for these loans.

A summary of the loan transactions for the year ended December 31, 2024 is as follows:

Project Loans:	Outstanding			Outstanding
	12/31/2023	Additions	Reductions	12/31/2024
Southeast Sewer District	\$ 1,194,910	\$ -	\$ (4,025)	\$ 1,190,885
Sandy Beach Sewer District	209,786	-	-	209,786
Total	<u>\$ 1,404,696</u>	<u>\$ -</u>	<u>\$ (4,025)</u>	<u>\$ 1,400,671</u>

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 17 - FUND BALANCES

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

Fund Balances	General	MVGT	ACDD	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
NonSpendable						
Inventory	\$ 100,073	\$ 664,793	\$ 1,350	\$ -	\$ 53,241	\$ 819,457
Prepays	214,930	29,415	6,847	75,344	129,284	455,820
Unclaimed Monies	57,663	-	-	-	-	57,663
Interfund Receivable	5,627	-	-	49,961	-	55,588
Restricted for						
Debt Service	-	-	-	-	2,652	2,652
Capital Outlay	-	-	-	-	149,974	149,974
MVGT	-	2,966,875	-	-	-	2,966,875
ACDD	-	-	12,663,575	-	-	12,663,575
Other Purpose	-	-	-	-	7,119,825	7,119,825
Committed to						
SWM	-	-	-	-	2,366,424	2,366,424
Capital Outlay	-	-	-	8,782,720	842,363	9,625,083
Other Purpose	-	-	-	-	350,419	350,419
Assigned						
Encumbrances	201,178	-	-	-	-	201,178
Subsequent						
Appropriations	4,470,477	-	-	-	-	4,470,477
Unassigned	16,306,406	-	-	-	(777,310)	15,529,096
Total Fund Balances	\$ 21,356,354	\$ 3,661,083	\$ 12,671,772	\$ 8,908,025	\$ 10,236,872	\$ 56,834,106

NOTE 18 - PUBLIC ENTITY RISK POOLS

A. Midwest Pool Risk Management Agency, Inc.

Midwest Pool Risk Management Agency, Inc. is an Ohio not-for-profit corporation organized under Chapter 2744.081 of the Ohio Revised Code for the purpose of enabling its member political subdivisions to obtain insurance coverage, provide methods for paying claims and provide a formalized jointly administered self-insurance pool.

Specifically, the pool provides coverage for automobile liability, general liability, crime and property (including automobile physical damage) and public officials' liability (See Note 10). In addition to the self-insurance pool, the Association provides risk management services, loss prevention programs, and various other educational materials. The Association includes the following member counties within the State of Ohio: Auglaize, Hancock, Mercer, Shelby, and Van Wert.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 18 - PUBLIC ENTITY RISK POOLS - (Continued)

Member and supplemental contributions are recognized on an accrual basis and are recorded as revenue in the month earned. For the current agreement dated August 1, 2006, the percentage of contributions by the members and their equity interests are:

County	%	Fixed Costs	Loss Fund
Auglaize	22.46	310,630	49,275
Hancock	21.87	302,470	129,780
Mercer	20.43	282,554	81,450
Shelby	24.79	342,855	123,345
Van Wert	10.45	144,527	66,150

The financial statements of Midwest Risk Pool Management Agency, Inc. can be obtained from David Bambauer, Auglaize County Commissioner and Treasurer of the Midwest Pool Risk Management Agency.

B. Midwest Employee Benefit Consortium

Midwest Employee Benefit Consortium (MEBC) is an Ohio not-for-profit corporation organized under Ohio Rev. Code Sections 304.171 and 9.833 for the public purpose of enabling its five members political subdivisions to obtain insurance coverage, provide methods for paying claims, and provide a formalized jointly administered self-insurance pool. Specifically, this pool provides coverage for health benefits to employees of its members.

In addition to the self-insurance pool, the Consortium provides risk management services and established loss reduction and prevention procedures and programs.

The members of the Association include the following counties within the State of Ohio: Auglaize, Hancock, Mercer, Van Wert, and Shelby. The financial statements of Midwest Employee Benefit Consortium can be obtained from the Auglaize County Board of Commissioners.

C. County Commissioner Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners' Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services, and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers.

The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a County Commissioner.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

A. Auglaize County Regional Planning Commission

The Auglaize Regional Planning Commission (the “Commission”) is a jointly governed organization between the County, the Municipalities, and the Townships within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is comprised of twenty seven members, any of which may hold any other public office.

The County is represented by three members, each of the two Cities within the county is represented by two members, all participating villages within the county are represented by one member each, and participating townships within the county are represented by one member each.

Other members include: a representative from all participating board of trustees; the mayor or a council member of each participating incorporated village; two representatives from each of the Cities of Wapakoneta and St. Marys, one being the Mayor or his designee and one being appointed by City Council. The remaining members of the Commission shall be representatives from public utility, minority groups, business, industry, Ministerial Association, farm organizations, Chamber of Commerce and other representations as deemed necessary by the Commission.

The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. Each participating government may be required to contribute up to .10 cents per capita, according to the latest federal census, in any calendar year in which revenue is needed.

The Commission has no outstanding debt as of December 31, 2024. The following unaudited cash financial data of the Commission is presented for the year ended December 31, 2024:

	Joint Venture	Auglaize County's 50 Percent
Total Operating Revenues	\$ 2	\$ 1
Total Operating Expenses	(1,185)	(593)
Net Income (Loss)	(1,183)	(592)
Fund Balance, January 1, 2024	2,972	1,486
Fund Balance, December 31, 2024	\$ 1,789	\$ 894

B. Workforce Innovations and Opportunity Act Consortium of Auglaize, Hardin, Mercer and Van Wert Counties

The Workforce Innovation and Opportunity Act (WIOA) is designed to identify and address complex workforce development issues which transcend local governmental jurisdictional boundaries. By operating as a consortium, the member counties can better coordinate and oversee the WIOA funding and sustain the One Stop system efforts required by WIOA. The CEO's are responsible for providing consultation with the Governor on local area designation, serving as (or designating an appropriate agency to serve as) the grant recipient and fiscal agent for the WIOA funds, with liability for the misuse of these funds, and, appointing the members of the Area 8 Workforce Development Board from those nominated by the appropriate nominating agencies.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

The Boards of County Commissioners of Auglaize, Hardin, Van Wert and Mercer Counties are the parties to operate within WIOA as a consortium. Each Board of Commissioners shall designate one Commissioner to serve as their representative for the region. The representatives of each Board shall meet as needed with the Workforce Development Board to approve and take other action as needed for the proper implementation and oversight of WIOA and the Area 8 workforce development system.

The Federal WIA program is administered through the Ohio Department of Job and Family Services and operates on a state fiscal year from July 1 to June 30. Effective July 1, 2002, Auglaize County participated in a multi-county WDA with Hardin and Mercer Counties, with Mercer as the fiscal agent.

C. West Central Ohio Network

The West Central Ohio Network (West CON) is a regional council of governments. West CON is comprised of the boards of Developmental Disabilities (DD) of several counties - Auglaize, Champaign, Darke, Hardin, Logan, Mercer, Miami, Preble, Sandusky, Shelby, Union, and Wyandot. The Board of Directors is made up of the Superintendents from each of these DD Boards, and the degree of control exercised by any participating government is limited to its representation on the Board. West CON is the administrator and fiscal agent of Supported Living funds for each of these Boards of Developmental Disabilities. The following unaudited financial data of the West Central Ohio Network - Auglaize County is presented on a cash basis for the year ended December 31, 2024.

	<u>County Portion</u>
Total Operating Revenue	\$ 1,819,397
Total Operating Expenses	<u>(1,869,723)</u>
Net Income (Loss)	(50,326)
Fund Balance, January 1, 2024	2,532,772
Fund Balance, December 31, 2024	<u>\$ 2,482,446</u>

Financial information can also be obtained from the West Central Ohio Network, 1200 Childrens Home Road, Sidney, Ohio 45365.

D. Auglaize and Mercer Counties Convention and Visitors Bureau

The Auglaize and Mercer Counties Convention and Visitors Bureau (the Bureau) is a jointly governed organization between Auglaize and Mercer Counties for the purpose of promoting tourism and attracting tourists and conventions to the two counties. Membership is open to any person, firm, partnership, association, corporation, foundation, trust or estate subscribing to the purpose of this organization. The government of the Bureau, the general policies and control of its property is vested in a Board of Trustees. The Board shall be nineteen members composed of the following: seven appointees from Auglaize County, seven from Mercer County, one Auglaize County Commissioner or designee, one Mercer County Commissioner or designee, three members representing the following: Celina/Mercer County Chamber of Commerce, St. Marys Area Chamber of Commerce and the Wapakoneta Area Chamber of Commerce.

The Board conducts business and sponsors projects to further the purpose of the Bureau. The Bureau is funded primarily from a 3 percent (effective 7/1/96) lodging tax imposed by both counties. Payment is due to the county by the last day of the following month. The 2024 revenue received by the Bureau was \$351,569. Of this amount \$319,545 came from the lodging tax. \$184,043 of the total 2024 revenue was from Auglaize County. Financial information can be obtained from 900 Edgewater Drive, St Mary's Ohio 45885.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

E. Volunteer Peace Officers Dependents Fund Board

The Volunteer Peace Officers Dependents Fund (the Fund) was established to assist dependents of volunteer peace officers killed in the line of duty and to assist volunteer peace officers that become totally and permanently disabled as a result of a line of duty injury and is contained in Ohio Revised Code Chapter 143.

Each political subdivision with a police or sheriff's department that employs volunteer peace officers will be made a member of the Fund and each Fund member must establish a "Volunteer Peace Officers Dependents Fund Board" to administer claims for the benefits from the Fund. ORC 143.01 (C) defines "volunteer peace officer" as "any person who is employed as a police officer, sheriff's deputy, constable, or deputy marshal in a part-time, reserve, or volunteer capacity and is not a member of the public employees' retirement system, Ohio police and fire pension fund, state highway patrol retirement system, or the Cincinnati retirement system".

The Volunteer Peace Officers Dependents Fund Board must have the following members: two members elected by the Commissioners, two members elected by the volunteer peace officers of the Sheriff's department and one member elected by the other four members (cannot be a public employee, member of the legislative authority or peace office for that department: must be a citizen registered to vote in that area). One of the five elected board members must be identified as a chairperson and another as the secretary by the members of the board.

F. Grand Lake St. Marys Restoration Community Improvement Corporation

The Auglaize County Commissioners and the Mercer County Commissioners joined together to form the Grand Lake St. Marys Restoration Community Improvement Corporation. The mission of this corporation is to support the advancement, encouragement and promotion of the industrial, economic, commercial and civic development of Grand Lake St. Marys and the surrounding area. It will aid in the research and development of technologies and provide funding opportunities to enhance the quality of water in Grand Lake St. Marys.

G. Grand Lake St. Marys Lake Facilities Authority

The Auglaize County Commissioners and the Mercer County Commissioners joined together to form the Grand Lake St Marys Lake Facilities Authority. Their desire is to enhance, promote, improve, remediate, foster, aid and rehabilitate the area. Grand Lake St Marys is a man-made lake of at least one-half square mile that has experienced levels of microcystin toxins in excess of eighty parts-per-billion, as measured by the Ohio Environmental Protection Agency in the 24 months preceding March 11, 2014. The Mercer County Auditor shall be the Fiscal Officer and the Mercer County Prosecutor shall be the Legal Advisor to the Grand Lake St. Marys Lake Facilities Authority.

H. West Central Ohio Rural Transportation Planning Organization

The Auglaize County Commissioners joined together with the counties of Hardin, Hancock, Mercer, Putnam, Van Wert and Wyandot counties to establish the West Central Ohio Rural Transportation Planning Organization ("WORPO"). WORPO is a committee of the Lima/Allen Regional Planning Commission, which provides technical, administrative, and staffing support to WORPO's members via funding provided by the Ohio Department of Transportation. The goal of WORPO is to conduct coordinated, comprehensive and continuing regional transportation planning for non-metropolitan areas with an emphasis on obtaining funding and resources to meet the needs of identified.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 20 - JOINT VENTURES

A. Grand Lake Task Force

Auglaize and Mercer Counties share territory of the Grand Lake State Park which encounters unique enforcement problems. The Grand Lake Task Force was established in regards to federal financial assistance received from the Department of Justice which requires a twenty-five percent local matching share. Additional revenues were received through asset seizures, fines, and village law enforcement agency contributions.

The objective of the Grand Lake Task Force is to increase the number of criminal justice agencies working cooperatively to eliminate specifically targeted major narcotics trafficking conspiracies and the persons involved through investigations, arrests, prosecution, and convictions. Those participating in the project are Auglaize and Mercer County Sheriff's Offices, Wapakoneta, St. Marys, Celina, Coldwater, Minster, and New Bremen Police offices, United States Investigative Agency Alcohol, Tobacco, and Firearms, Ohio Bureau of Criminal Investigation and Identification, and Auglaize and Mercer County Prosecutor's Offices.

The Auglaize County Sheriff serves as the applicant who accepts the responsibility for the project's administrative and financial matters. The project requires a control group to be established of four members; one from a police department, one from a Sheriff's office, one from a prosecutor's office, and the Task Force Supervisor. This group allocates what funds are to be used for which investigations and to manage these resources and jointly manage project investigations.

The following unaudited financial data of the Grand Lake Task Force is presented on a cash basis for the year ended December 31, 2024:

	Joint Venture	Auglaize County's 12.5 Percent
Total Operating Revenues	\$ 177,572	\$ 22,197
Total Operating Expenses	(188,100)	(23,513)
Net Income (Loss)	(10,528)	(1,316)
Fund Balance, January 1, 2024	175,557	21,945
Fund Balance, December 31, 2024	\$ 165,029	\$ 20,629

B. Mental Health and Recovery Services Board of Allen, Auglaize, and Hardin Counties

The Mental Health and Recovery Services Board (MHRS) of Allen, Auglaize, and Hardin Counties, is a tri-county non-profit corporation whose general purpose is to provide leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services.

The Board of Trustees consists of sixteen members. Board members are appointed by the Board's Director and the legislative authorities of the political subdivisions making up the Board. The Board includes members from those legislative authorities as well as citizens of the Board. Those subdivisions are Allen, Auglaize and Hardin Counties, Ohio Department of Mental Health and the Ohio Department of Alcohol and Drug Addiction Services. The degree of control exercised by any participating government is limited to its representation on the Board. The MHRS Board is a joint venture since continued participation by the Counties is necessary for the continued existence.

AUGLAIZE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 20 - JOINT VENTURES - (Continued)

Allen County acts as the fiscal agent for the MHRS Board. The Board receives tax revenue from the three Counties and receives federal and state funding through grant monies which are applied for and received by the board of trustees. The MHRS Board is accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on members in the future. The Board has sole budgetary authority and controls surpluses and deficits and the county is not legally or morally obligated for the Board's debt.

During 2024, tax revenues generated by the levy in Auglaize County were \$1,588,458. Complete financial statements can be obtained from the MHRS Board, Allen County, Ohio.

NOTE 21 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

At December 31, 2024, the County had entered into several contracts, the most significant of which include the following:

Contractor	Amount
Reco LLC	\$ 12,954
Premier Health Care	20,800
Stark County Educational	39,383
Ohio Teaching Family Assoc	21,350
Cy Schweiterman Inc	124,379
Specialized Alternatives	23,800
Keeping Kids Safe Inc	45,150
Beacon Software Solutions Inc	18,314
Granger Construction Company	1,651,633
	<u>\$ 1,957,763</u>

NOTE 22 - TAX ABATEMENT DISCLOSURES

The County is subject to tax abatements granted by (1) a Community Reinvestment Area-Tax Exemption Program created by the City of St. Marys, the Village of New Bremen and the Village of New Knoxville and (2) a Tax Incentive Review Council created by the City of St Marys and the Village of New Bremen.

The Community Reinvestment Area-Tax Exemption Program allows taxes to be abated on a new or improvements to, a tax payer's home. The terms range from five to fifteen years, with a seventy five to one hundred percent tax abatement.

The Tax Incentive Review Council allows taxes to be abated for the development of real property and the acquisition of personal property located in the area designated as an Enterprise Zone and the Enterprise Area to create new jobs.

The County's portion of the gross amount of taxes abated during 2024 was \$459,295.

AUGLAIZE COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 23 - CONTINGENT LIABILITIES

A. Grants

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.

B. Litigation

The County is involved in no litigation as either plaintiff or defendant which they believe would result in a liability having to be booked on the County's financial statements.

NOTE 24 - ASSET RETIREMENT OBLIGATIONS

Ohio Revised Code (ORC) Section 6111.44 requires the County to submit any changes to their sewerage system to the Ohio EPA for approval, including the retirement or abandonment of certain sewer-related assets. Through this permitting process, the County would be responsible to address any public safety issues associated with retiring or abandoning these sewer-related assets. In accordance with ORC Section 6111.44, and applicable accounting standards, the County believes an asset retirement obligation (ARO) to be present, however, there is significant uncertainty as to what public safety issues would need to be addressed. Based on this uncertainty, the ARO amount is not reasonably estimable at this time and therefore an ARO is not recognized in the County's financial statements.

THIS SPACE INTENTIONALLY LEFT BLANK

THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

AUGLAIZE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget - Over (Under) Actual Amounts
Budgetary revenues:				
Property taxes	\$ 3,694,297	\$ 3,694,297	\$ 3,491,268	\$ (203,029)
Charges for services	1,633,875	1,633,875	1,801,254	167,379
Fees, licenses and permits	3,040	3,040	2,902	(138)
Fines and forfeitures	473,500	473,500	537,898	64,398
Intergovernmental	2,054,795	2,054,795	2,217,222	162,427
Investment income	500,000	500,000	1,971,908	1,471,908
Sales and permissive tax	8,800,000	8,800,000	9,880,858	1,080,858
Other	1,278,591	1,278,591	3,650,435	2,371,844
Total budgetary revenues	18,438,098	18,438,098	23,553,745	5,115,647
Budgetary expenditures:				
Current:				
General government				
Legislative and executive	6,235,120	5,985,684	5,411,732	573,952
Judicial	2,621,501	2,719,202	2,275,315	443,887
Public safety	9,924,800	9,367,124	8,614,165	752,959
Public works	597,196	625,375	518,332	107,043
Health	153,569	138,934	133,289	5,645
Human services	531,189	856,005	461,042	394,963
Other	2,800,308	2,544,919	2,430,509	114,410
Total budgetary expenditures	22,863,683	22,237,243	19,844,384	2,392,859
Budgetary excess (deficiency) of revenues over (under) expenditures	(4,425,585)	(3,799,145)	3,709,361	7,508,506
Budgetary other financing sources (uses):				
Sale of capital assets	8,000	8,000	23,377	15,377
Advances in	-	-	3,000	3,000
Advances out	-	-	(3,000)	(3,000)
Transfers in	-	-	81,030	81,030
Transfers out	-	(508,400)	(157,937)	350,463
Other financing uses	-	(8,015)	-	8,015
Total budgetary other financing sources (uses)	8,000	(508,415)	(53,530)	454,885
Net change in fund balance	(4,417,585)	(4,307,560)	3,655,831	7,963,391
Budgetary fund balances at beginning of year	14,286,627	14,286,627	14,286,627	-
Prior year encumbrances appropriated	389,197	389,197	389,197	-
Budgetary fund balances at end of year	<u>\$ 10,258,239</u>	<u>\$ 10,368,264</u>	<u>\$ 18,331,655</u>	<u>\$ 7,963,391</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

AUGLAIZE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MVGT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Sales and permissive tax	\$ 565,000	\$ 565,000	\$ 593,565	\$ 28,565
Charges for services	450,000	450,000	631,579	181,579
Fines and forfeitures	30,000	30,000	42,265	12,265
Intergovernmental	5,290,000	5,290,000	5,670,014	380,014
Investment income	3,000	3,000	30,446	27,446
Other	255,000	255,000	474,257	219,257
Total budgetary revenues	6,593,000	6,593,000	7,442,126	849,126
Budgetary expenditures:				
Current:				
Public works				
Personal services	3,237,134	3,237,134	2,968,322	268,812
Materials and supplies	2,019,306	2,019,306	1,757,036	262,270
Charges for services	1,853,898	1,853,898	1,566,529	287,369
Capital outlay and equipment	856,137	856,137	299,093	557,044
Other operating expense	43,131	43,131	24,710	18,421
Total expenditures	8,009,606	8,009,606	6,615,690	1,393,916
Budgetary excess (deficiency) of revenues over (under) expenditures	(1,416,606)	(1,416,606)	826,436	2,243,042
Budgetary other financing (uses):				
Transfers (out)	(20,300)	(20,300)	(20,300)	-
Net change in fund balances	(1,436,906)	(1,436,906)	806,136	2,243,042
Budgetary fund balances at beginning of year	1,404,972	1,404,972	1,404,972	-
Prior year encumbrances appropriated	31,934	31,934	31,934	-
Budgetary fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,243,042</u>	<u>\$ 2,243,042</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

AUGLAIZE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ACDD
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget - Over (Under) Actual Amounts
Budgetary revenues:				
Property taxes	\$ 4,356,957	\$ 4,356,957	\$ 4,244,005	\$ (112,952)
Charges for services	-	-	30,112	30,112
Intergovernmental	1,203,676	1,203,676	1,456,725	253,049
Investment income	250	250	2,523	2,273
Other	216,405	216,405	26,323	(190,082)
Total budgetary revenues	<u>5,777,288</u>	<u>5,777,288</u>	<u>5,759,688</u>	<u>(17,600)</u>
Budgetary expenditures:				
Current:				
Health				
Personal services	2,399,193	2,434,252	2,367,198	67,054
Materials and supplies	121,452	161,628	118,001	43,627
Charges for services	26,000	26,000	13,849	12,151
Capital outlay and equipment	3,087,007	3,121,296	2,945,601	175,695
Other operating expense	9,177	9,407	4,897	4,510
Total expenditures	<u>5,642,829</u>	<u>5,752,583</u>	<u>5,449,546</u>	<u>303,037</u>
Budgetary excess of revenues over expenditures	<u>134,459</u>	<u>24,705</u>	<u>310,142</u>	<u>285,437</u>
Budgetary other financing (uses):				
Transfers (out)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balances	84,459	(25,295)	260,142	285,437
Budgetary fund balances at beginning of year	9,750,671	9,750,671	9,750,671	-
Prior year encumbrances appropriated	69,754	69,754	69,754	-
Budgetary fund balances at end of year	<u>\$ 9,904,884</u>	<u>\$ 9,795,130</u>	<u>\$ 10,080,567</u>	<u>\$ 285,437</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE IS INTENTIONALLY LEFT BLANK

AUGLAIZE COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND
COUNTY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - TRADITIONAL PLAN**

LAST TEN FISCAL YEARS

Calendar Year (1)	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.105972000%	\$ 25,676,340	\$ 17,169,286	149.55%	79.01%
2023	0.107940000%	29,547,841	16,386,607	180.32%	75.74%
2022	0.111203000%	8,975,151	15,880,271	56.52%	92.62%
2021	0.111138000%	15,228,892	14,700,591	103.59%	86.88%
2020	0.099357000%	19,638,585	13,487,144	145.61%	82.17%
2019	0.114736000%	31,423,864	16,334,707	192.37%	74.70%
2018	0.113544000%	17,812,852	15,695,018	113.49%	84.66%
2017	0.113331000%	25,735,543	15,471,295	166.34%	77.25%
2016	0.113433000%	19,648,026	15,015,490	130.85%	81.08%
2015	0.117617000%	14,185,924	15,058,436	94.21%	86.45%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 2,529,778	\$ (2,529,778)	\$ -	\$ 18,069,843	14.00%
2023	2,403,700	(2,403,700)	-	17,169,286	14.00%
2022	2,294,125	(2,294,125)	-	16,386,607	14.00%
2021	2,223,238	(2,223,238)	-	15,880,271	14.00%
2020	2,141,414	(2,141,414)	-	15,295,814	14.00%
2019	2,076,268	(2,076,268)	-	14,830,486	14.00%
2018	2,265,786	(2,265,786)	-	16,184,186	14.00%
2017	1,896,828	(1,896,828)	-	14,590,985	13.00%
2016	1,815,091	(1,815,091)	-	15,125,758	12.00%
2015	2,035,961	(2,035,961)	-	16,966,342	12.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

AUGLAIZE COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/(ASSET) AND
COUNTY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	County's Proportion of the Net OPEB Liability/(Asset)	County's Proportionate Share of the Net OPEB Liability/(Asset)	County's Covered Payroll	County's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.104210000%	\$ (870,430)	\$ 17,169,286	5.07%	107.76%
2023	0.105345000%	615,523	16,386,607	3.76%	94.79%
2022	0.108467000%	(3,151,566)	15,880,271	19.85%	128.23%
2021	0.108468000%	(1,788,222)	14,700,591	12.16%	115.57%
2020	0.097671000%	13,490,902	13,487,144	100.03%	47.80%
2019	0.114765000%	14,962,647	16,334,707	91.60%	46.33%
2018	0.111860000%	12,147,172	15,695,018	77.40%	54.14%
2017	0.111860000%	11,298,240	15,471,295	73.03%	54.05%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ -	\$ -	\$ -	\$ 18,069,843	0.00%
2023	-	-	-	17,169,286	0.00%
2022	-	-	-	16,386,607	0.00%
2021	-	-	-	15,880,271	0.00%
2020	-	-	-	15,295,814	0.00%
2019	-	-	-	14,830,486	0.00%
2018	-	-	-	16,184,186	0.00%
2017	156,880	(156,880)	-	14,590,985	1.08%
2016	309,315	(309,315)	-	15,125,758	2.04%
2015	-	-	-	16,966,342	0.00%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

AUGLAIZE COUNTY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - BUDGETARY PROCESS

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

The schedule of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and any major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis is as follows:

Net Change in Fund Balance

	<u>General fund</u>	<u>MVGT</u>	<u>ACDD</u>
Budget basis	\$ 3,655,831	\$ 806,136	\$ 260,142
Net adjustment for revenue accruals	(406,622)	(431,382)	2,001,648
Net adjustment for expenditure accruals	578,627	122,494	(1,935,030)
Net adjustment for other sources/uses	55,993	192,079	-
Funds budgeted elsewhere	60,540	-	-
Adjustments for encumbrances	<u>301,541</u>	<u>41,418</u>	<u>58,064</u>
GAAP Basis	<u>\$ 4,245,910</u>	<u>\$ 730,745</u>	<u>\$ 384,824</u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the recorder's fund, certificate title admin fund, and the salary reserve fund.

AUGLAIZE COUNTY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

Change in assumptions:

- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25%, (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75% and (d) COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2018, then 2.15% simple.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- For 2020, COLA for post 1/7/2013 retirees were changed to 1.40%, simple through 2020, then 2.15% simple.
- For 2021, COLA for post 1/7/2013 retirees were changed to 0.50%, simple through 2021, then 2.15% simple.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- For 2023, COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2023, then 2.05% simple.
- For 2024, COLA for post 1/7/2013 retirees were changed to 2.30%, simple through 2024, then 2.05% simple.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.

AUGLAIZE COUNTY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) the investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.
- For 2024, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed to 5.70%, (b) the municipal bond rate was changed to 3.77% and (c) the health care cost trend rate was changed to 5.50% initial, 3.50% ultimate in 2038.

AUGLAIZE COUNTY

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

FEDERAL GRANTOR / Pass Through Grantor Program / Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<u>Passed through Ohio Department of Development</u>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-C-22-1AF-1	\$ 68,613
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		B-F-23-1AF-1	15,211
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		B-D-21-1AF-1	47,500
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			131,324
Home Investment Partnerships Program	14.239	B-C-22-1AF-2	157,810
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			289,134
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<u>Passed through Ohio Department of Job and Family Services</u>			
<u>SNAP Cluster</u>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2425-15-0177	120,992
Total SNAP Cluster			120,992
TOTAL U.S. DEPARTMENT OF AGRICULTURE			120,992
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<u>Passed through Ohio Department of Public Safety</u>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2022-DL-LEF-5804	35,432
Edward Byrne Memorial Justice Assistance Grant Program		2022-JG-A01-6776	8,247
Edward Byrne Memorial Justice Assistance Grant Program		2023-JG-A01-6776	7,172
Total Edward Byrne Memorial Justice Assistance Grant Program			50,851
Crime Victim Assistance	16.575	2025-VOCA-135905782	8,130
Crime Victim Assistance		2024-VOCA-135503605	17,629
Total Crime Victim Assistance			25,759
TOTAL U.S. DEPARTMENT OF JUSTICE			76,610
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<u>Direct</u>			
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106		74,390
<u>Passed Through the Ohio Department of Transportation</u>			
Highway Planning and Construction	20.205	PID 118674	50,000
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			124,390
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<u>Passed Through the Ohio Department of Public Safety</u>			
Hazard Mitigation Grant	97.039	FEMA-DR-4507-OH	2,936
Emergency Management Performance Grants	97.042	EMC-2023-EP-00003	45,409
Emergency Management Performance Grants		EMC-2022-EP-00006	20,040
Total Emergency Management Performance Grants			65,449
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			68,385
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<u>Passed through the Ohio Department of Developmental Disabilities</u>			
Special Education-Grants for Infants and Families	84.181	H-18-1A23-0024	57,587
Special Education-Grants for Infants and Families		H-18-1A22-0024	68,841
Total Special Education-Grants for Infants and Families			126,428
TOTAL U.S. DEPARTMENT OF EDUCATION			126,428
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<u>Passed through Ohio Department of Health</u>			
Injury Prevention and Control Research and State and Community Based Programs	93.136	6NU17CE924989-03-04	152
Injury Prevention and Control Research and State and Community Based Programs		1NU17CE010223-01-00	931
Total Injury Prevention and Control Research and State and Community Based Programs			1,083
<u>Passed through Ohio Department of Job and Family Services</u>			
Title IV-E Prevention Program	93.472	G-2223-11-6900	36,193
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2223-11-6900	8,926
MaryLee Allen Promoting Safe and Stable Families Program		G-2425-15-0177	8,161
Total MaryLee Allen Promoting Safe and Stable Families Program			17,087
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2425-15-0177	3,314

AUGLAIZE COUNTY

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

FEDERAL GRANTOR / Pass Through Grantor Program / Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
<i>Passed through Ohio Department of Job and Family Services</i>			
Temporary Assistance for Needy Families	93.558	G-2223-11-6900	88,949
Temporary Assistance for Needy Families		G-2425-15-0177	1,640,575
Total Temporary Assistance for Needy Families			1,729,524
Child Support Services	93.563	G-2223-11-6900	1,010
Child Support Services		G-2425-15-0177	531,287
Total Child Support Services			532,297
Child Care and Development Fund (CCDF) Cluster			
Child Care and Development Block Grant	93.575	G-2425-15-0177	21,256
Total Child Care and Development Fund (CCDF) Cluster			21,256
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6900	1,076
Foster Care Title IV-E	93.658	G-2223-11-6900	3,552
Foster Care Title IV-E		G-2425-15-0177	181,441
Total Foster Care Title IV-E			184,993
Adoption Assistance	93.659	G-2425-15-0177	31,715
COVID-19 Elder Abuse Prevention Interventions Program	93.747	G-2021-11-5331	19,032
Medicaid Cluster			
Grants to States for Medicaid	93.778	G-2425-15-0177	286,169
Total Medicaid Cluster			286,169
Children's Health Insurance Program	93.767	G-2425-15-0177	53,532
<i>Passed through Ohio Department of Developmental Disabilities</i>			
Social Services Block Grant	93.667	2401-OH-SQSR	26,720
<i>Passed through Ohio Department of Job and Family Services</i>			
Social Services Block Grant	93.667	G-2425-15-0177	260,159
Total Social Services Block Grant			286,879
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,204,150
U.S. DEPARTMENT OF LABOR			
<i>Passed through Ohio Department of Job and Family Services</i>			
Employment Service Cluster			
Employment Service/Wagner-Peyser Funded Activities	17.207	G-2425-15-0177	1,762
Total Employment Service Cluster			1,762
Unemployment Insurance	17.225	G-2223-15-0046	20,669
Trade Adjustment Assistance	17.245	G-2425-15-0177	284
Workforce Innovation and Opportunity Act (WIOA) Cluster			
WIOA Adult Program	17.258	G-2223-15-0046	46,313
WIOA Adult Program		G-2425-15-0177	70,961
Total WIOA Adult Program			117,274
WIOA Youth Activities	17.259	G-2223-15-0046	89,231
WIOA Youth Activities		G-2425-15-0177	336
Total WIOA Youth Activities			89,567
WIOA Dislocated Worker Formula Grants	17.278	G-2425-15-0177	35,517
WIOA Dislocated Worker Formula Grants		G-2223-15-0046	54,834
Total WIOA Dislocated Worker Formula Grants			90,351
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			297,192
TOTAL U.S. DEPARTMENT OF LABOR			319,907
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed through Ohio Department of Job and Family Services</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	G-2223-11-6900	16,386
<i>Passed through Ohio Department of Aging</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	HB33-ALI490678	152,642
<i>Passed through Ohio Department of Development</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	LED-2023-202339	32,185
COVID-19 Coronavirus State and Local Fiscal Recovery Funds		DEV-2021-181294	72,227
Direct			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		4,569,645
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			4,843,085
TOTAL U.S. DEPARTMENT OF THE TREASURY			4,843,085
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 9,173,081

The accompanying notes are an integral part of this schedule.

AUGLAIZE COUNTY

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

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 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 Uniform Guidance 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 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current cash balance on the County's local program income account as of December 31, 2024 is \$252,842.

NOTE 5 - 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.

This page intentionally left blank.



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

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

Auglaize County
209 South Blackhoof Street
Wapakoneta, Ohio 45895

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Auglaize County, Ohio (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 3, 2025, wherein we noted the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62* and GASB Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and/or corrective action plan. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



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

December 3, 2025

OHIO AUDITOR OF STATE KEITH FABER

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

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

Auglaize County
209 South Blackhoof Street
Wapakoneta, Ohio 45895

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Auglaize County's (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2024. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Efficient • Effective • Transparent

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink, reading "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

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

December 3, 2025

This page intentionally left blank.

AUGLAIZE COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	COVID-19 Coronavirus State and Local Fiscal Recovery Funds – AL #21.027 Child Support Services – AL #93.563
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

FINDING NUMBER 2024-001

Material Weakness – Accuracy of Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The following financial statement errors were identified and required adjustment to the financial statements:

- Sewer fund accounts receivable was understated by \$84,317, which also caused sewer fund charges for services operating revenues to be understated by the same amount.
- Business-type activities accounts receivable were understated by \$84,317, which also caused business-type activities charges for services and sales revenue to be understated by the same amount.
- Sewer fund and business-type activities accounts payable were overstated by \$21,267 and due to other governments were understated by the same amount.

These errors were caused by the County's failure to identify all accounts receivable and amounts due to other governments and the County's failure to identify these errors during review of the County's annual financial statements.

Failure to properly report financial activity could lead to materially misstated financial statements and users of the financial statements basing their conclusions on incorrect information.

The County should implement procedures to identify all accounts receivable and amounts due to other governments and review the annual financial statements to identify any obvious errors and omissions to ensure that financial activity is properly reported.

Officials' Response: The County will incorporate additional monitoring procedures to help identify and correct potential errors prior to filing its annual financial statements.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None

AUGLAIZE COUNTY TREASURER

April E. Bowersock

P.O. Box 56, 209 S. Blackhoof Street

Wapakoneta, Ohio 45895-0056

Telephone (419) 739-6745

Website: auglaizecountytreasurer.org

Email: abowersock@auglaizecounty.org

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

Finding Number	Finding Summary	Status	Additional Information
2023-001	Significant Deficiency - Bank Reconciliation Variances – There were unreconciled bank variances for all months of 2023 in varying amounts.	Partially Corrected	During 2024, the County was able to get the monthly bank reconciliation variance to a more consistent amount. The consistent amount of the variance is insignificant related to the County's overall cash balances and has been reduced to a management letter matter.

This page intentionally left blank.

Linda Bice
Auglaize County Auditor
209 S Blackhoof St, Suite 102
Wapakoneta, Ohio 45895
419 739-6705
Fax 419-739-6706

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2024

Finding Number: 2024-001

Planned Corrective Action: Around June 10, 2025, it was brought to my attention that sewer funds were significantly lower for 2024 than they were for 2023. In researching this issue, I discovered I did not mark the Detail Revenue Transaction by Fund Report for the available period with "AR" as I should have for the accountant to pick up. When realizing what I did, or did not do, I emailed the information and another Fund Report to show the corrections to the accountant and to our Auditor from the Auditor of State's Office. All of my notes have been updated so that this error does not happen again.

Anticipated Completion Date: As soon as possible.

Responsible Contact Person: Kathy Wahl, Finance Clerk

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



AUGLAIZE 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 1/6/2026

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