



OHIO AUDITOR OF STATE
KEITH FABER



LAKE COUNTY
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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Lake County
105 Main Street
P.O. Box 490
Painesville, Ohio 44077

To the 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 discretely presented component units and remaining fund information of Lake 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 discretely presented component units and remaining fund information of Lake County, Ohio as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Developmental Disabilities Board, Board of Alcohol, Drug Addiction & Mental Health Services (ADAMHS) Board and American Rescue Plan Funds 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 C to the financial statements, during 2024, the County performed a physical inventory observation of all assets which resulted in a restatement to its governmental activities, business-type activities, and water, sewer and solid waste funds' December 31, 2023 net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules 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 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 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 September 22, 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

September 22, 2025

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LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

The discussion and analysis of Lake County's 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 basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- In total, net position increased \$47,292,649. Net position of governmental activities increased \$36,291,920, which represents a 7 percent increase from 2023. Net position of business-type activities increased \$11,000,729 or 4 percent from 2023.
- General revenues accounted for \$175,038,498 in revenue or 54 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$150,413,920 or 46 percent of total revenues of \$325,452,418.
- Total assets of governmental activities increased by \$139,189,120, and total assets of business-type activities increased by \$19,823,918.
- The County had \$225,492,228 in expenses related to governmental activities; only \$87,782,507 of these expenses were offset by program specific charges for services, grants or contributions. Additional general revenues of \$173,871,641 were sufficient to offset the remainder of the total expenses, thus resulting in the net position increase disclosed above.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Lake 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 the 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 dollars remain for future spending.

The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column. In the case of Lake County, the General Fund, Developmental Disabilities Board, ADAMHS Board, American Rescue Plan Act, and Public Safety are the most significant funds.

LAKE 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

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the County's net position and the change in that net position. This change in net position is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, non-financial information such as changes in the County's tax base and the condition of County capital assets will also need to be evaluated.

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

- **Governmental Activities** – Most of the County's programs and services are reported here including general government, judicial and public safety, public works, human services, health and community and economic development and all departments with the exception of our Water, Wastewater and Solid Waste funds.
- **Business-Type Activities** – These services have a charge based upon the amount of usage. The County charges fees to recoup the cost of the entire operation of its Water, Wastewater and Solid Waste funds as well as all capital expenses associated with these facilities.
- **Component Units** – The County includes financial data of Deepwood Industries, Inc. (the Employment Program) and the Lake Development Authority (the Development Authority). The Employment Program is a legally separate, non-profit organization served by a self-appointing board of trustees. The Employment Program, under a contractual agreement with the Lake County Developmental Disabilities Board, provides a comprehensive program of services, including employment for developmentally disabled citizens. The Development Authority was created during 2007 for the purpose of promoting projects that will provide for the creation of jobs and employment opportunities and improve the economic welfare of the people residing in Lake County.

The Development Authority has a seven-member Board of Directors. The component units are separate and may buy, sell, lease and mortgage property in their own name and can sue or be sued in their own name.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

Reporting on 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, the Developmental Disabilities Board Fund (DD Board), and the Alcohol, Drug Addiction and Mental Health Services Board Fund (ADAMHS Board), the American Rescue Plan Act Fund (ARPA), and Public Safety Fund.

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

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

The County maintains a 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 are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water, Wastewater and Solid Waste operations.

LAKE COUNTY, OHIO

Management's Discussion and Analysis ***For the Year Ended December 31, 2024*** ***Unaudited***

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 central purchasing, mailroom, and vehicle maintenance departments as well as for its self-insurance programs for prescription, dental and medical coverage. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the County-wide financial statements.

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 statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements.

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LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

Government-wide Financial Analysis

The following provides a summary of the County's Net Position for 2024 and 2023:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
ASSETS						
Current and other assets	\$ 579,507,832	\$ 446,303,412	\$ 82,917,106	\$ 72,465,669	\$ 662,424,938	\$ 518,769,081
Capital assets, net	297,956,601	296,562,560	244,109,944	235,479,771	542,066,545	532,042,331
Net Pension Asset	1,599,998	1,287,203	250,958	180,628	1,850,956	1,467,831
Net OPEB Asset	4,389,542	111,678	671,978	-	5,061,520	111,678
Total Assets	883,453,973	744,264,853	327,949,986	308,126,068	1,211,403,959	1,052,390,921
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refunding	19,669	43,266	-	-	19,669	43,266
Pension	40,825,337	63,405,764	6,363,500	8,825,895	47,188,837	72,231,659
OPEB	4,005,402	8,979,940	624,933	1,257,239	4,630,335	10,237,179
Total Deferred Outflows of Resources	44,850,408	72,428,970	6,988,433	10,083,134	51,838,841	82,512,104
LIABILITIES						
Current and other liabilities	80,255,712	48,343,699	6,257,213	7,304,110	86,512,925	55,647,809
Long-term liabilities:						
Due within one year	4,151,315	3,759,681	10,058,151	6,620,310	14,209,466	10,379,991
Due in more than one year						
Net Pension Liability	126,910,491	152,801,631	19,738,414	21,268,437	146,648,905	174,070,068
Net OPEB Liability	-	2,963,147	-	415,805	-	3,378,952
Other Amounts	89,442,170	22,317,506	38,260,768	33,576,167	127,702,938	55,893,673
Total Liabilities	300,759,688	230,185,664	74,314,546	69,184,829	375,074,234	299,370,493
DEFERRED INFLOWS OF RESOURCES						
Property taxes	56,272,580	55,101,302	-	-	56,272,580	55,101,302
Pension	3,866,717	1,607,851	574,546	205,207	4,441,263	1,813,058
OPEB	2,546,975	1,232,505	389,362	159,930	2,936,337	1,392,435
Total Deferred Inflows of Resources	62,686,272	57,941,658	963,908	365,137	63,650,180	58,306,795
NET POSITION						
Net investment in capital assets	43,315,709	273,461,966	222,683,340	213,510,879	265,999,049	486,972,845
Restricted	527,919,706	270,569,090	922,936	280,000	528,842,642	270,849,090
Unrestricted	(6,376,994)	(15,464,555)	36,053,689	34,868,357	29,676,695	19,403,802
Total Net Position	\$ 564,858,421	\$ 528,566,501	\$ 259,659,965	\$ 248,659,236	\$ 824,518,386	\$ 777,225,737

* Restated

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2023. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

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 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.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$824,518,386 (\$564,858,421 in governmental activities and \$259,659,965 in business type activities) as of December 31, 2024.

A portion of the County's net position \$265,999,049 (32 percent) reflect its investment in capital assets (e.g., land, building, infrastructure and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

An additional portion of net position, \$528,842,642 (64 percent), represent resources that are subject to external restriction on how they may be used. The remaining balance of \$29,676,695 of unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

As of December 31, 2024, the County is able to report positive balances in all three categories of net position as a whole, however, unrestricted governmental net position was negative due to the inclusion of the net pension and OPEB liabilities. The County would have reported positive balances in the governmental activities unrestricted net position in 2024 and 2023 without the inclusion of these liabilities.

Total assets increased \$159,013,038 which represented a 15 percent increase over 2023. Total assets of governmental activities increased \$139.2 million primarily due to an increase cash and cash equivalents, net OPEB asset, and accrued interest receivable.

Total assets of business-type activities increased \$19.8 million primarily due to an increase in cash and cash equivalents, accounts receivable, capital assets, and net OPEB asset.

The changes in net pension and OPEB asset, deferred inflows and outflows or resources, net pension liability, and net OPEB liability are attributed to the recording of GASB Statement Nos. 68 and 75 as previously discussed.

The County's balances remain healthy while the County continues to provide the services that the residents expect while maintaining the costs of providing those services. To further understand what makes up the changes in net position for the current year, table 2 gives readers further details regarding the results of activities for 2024 and 2023.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program Revenues:						
Charges for services	\$ 30,419,468	\$ 28,980,556	\$ 56,346,321	\$ 48,689,777	\$ 86,765,789	\$ 77,670,333
Operating grants and contributions	57,236,063	73,653,981	-	-	57,236,063	73,653,981
Capital grants and contributions	126,976	-	6,285,092	9,205,917	6,412,068	9,205,917
Total Program Revenues	87,782,507	102,634,537	62,631,413	57,895,694	150,413,920	160,530,231
General Revenues:						
Property taxes	55,769,314	55,099,470	-	-	55,769,314	55,099,470
Sales Tax	48,817,460	48,735,656	-	-	48,817,460	48,735,656
Conveyance Tax	5,168,839	4,318,468	-	-	5,168,839	4,318,468
Lodging Tax	2,585,390	2,516,819	-	-	2,585,390	2,516,819
Grants and entitlements	14,099,922	13,420,911	-	-	14,099,922	13,420,911
Investment income	34,875,054	14,922,751	-	-	34,875,054	14,922,751
Gain on Sale of Capital Assets	103,834	59,621	25,731	18,754	129,565	78,375
All other revenues	12,451,828	11,350,217	1,141,126	168,817	13,592,954	11,519,034
Total General Revenues	173,871,641	150,423,913	1,166,857	187,571	175,038,498	150,611,484
Total Revenues	261,654,148	253,058,450	63,798,270	58,083,265	325,452,418	311,141,715
EXPENSES						
Program Expenses:						
General government	32,622,856	46,892,414	-	-	32,622,856	46,892,414
Judicial and Public Safety	68,369,091	57,018,241	-	-	68,369,091	57,018,241
Public Works	19,075,497	23,223,971	-	-	19,075,497	23,223,971
Human Services	79,815,290	72,743,421	-	-	79,815,290	72,743,421
Health	18,864,906	13,661,516	-	-	18,864,906	13,661,516
Community and Economic Development	3,799,626	3,308,995	-	-	3,799,626	3,308,995
Interest and fiscal charges	2,944,962	755,822	-	-	2,944,962	755,822
Water	-	-	18,494,488	16,756,811	18,494,488	16,756,811
Wastewater	-	-	25,763,695	20,567,734	25,763,695	20,567,734
Solid Waste	-	-	8,409,358	8,947,031	8,409,358	8,947,031
Total Expenses	225,492,228	217,604,380	52,667,541	46,271,576	278,159,769	263,875,956
Change in Net Position before Transfers	36,161,920	35,454,070	11,130,729	11,811,689	47,292,649	47,265,759
Transfers	130,000	100,000	(130,000)	(100,000)	-	-
Change in Net Position	36,291,920	35,554,070	11,000,729	11,711,689	47,292,649	47,265,759
Net Position - Beginning of Year, Restated	528,566,501	493,012,431	248,659,236	236,947,547	777,225,737	729,959,978
Net Position - End of Year	\$ 564,858,421	\$ 528,566,501	\$ 259,659,965	\$ 248,659,236	\$ 824,518,386	\$ 777,225,737

Total governmental activities expenses increased from \$217,604,380 in 2023 to \$225,492,228 in 2024. Due to changes in the net Pension and OPEB plan, the County recorded a debit to of \$5,046,980 to expenses in 2023 and a credit to expenses of \$2,316,645 in 2024 for a difference of \$7,363,625 in expenses. Of the total \$225.4 million in governmental activities expenses, \$30,419,468 was covered by direct charges to users of the services. A significant portion of those charges are for fees charged for the collection of property taxes throughout the County, fines and forfeitures related to judicial activity, licenses and permits associated with building inspectors, recording fees for deeds and title fees. Judicial and public safety charges for services include fees for prisoner housing and fines and forfeitures related to judicial activity. Human service charges for services include those provided to clients of the DD Board and the Children's Services Fund. Motor vehicle license fees comprise the majority of public works charges.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

For governmental activities, operating grants and contributions decreased from \$73,653,981 in 2023 to \$57,236,063 in 2024 due to an increase in grants received in 2023 as compared to 2024. In 2024 property taxes and sales tax increased slightly versus 2023. Real estate conveyance taxes increased by \$.8 million in 2024, which represents a 20 percent increase, which is due to the slight upturn in the housing market in the County. Investment earnings increased by \$19.9 million from the prior year as interest rates rose. Charges for services to users in the business-type activities amounted to \$56,346,321 and an additional \$6,285,092 was received during the year for grants and contributions for operating and capital expenses. Capital grants and contributions decreased due to additional grant opportunities. These two revenue sources more than offset the \$52,667,541 in expenses for business-type activities.

The human services program accounted for \$79,815,290 of expenditures for governmental activities, or 35 percent, of that total. The activity of the County's DD Board comprises more than half of the expenditure total for this program. Expenditures in the human services program increased \$7.1 million in 2024, as compared to 2023, mainly due to the debit to the expense in the amount of \$2.0 million in 2023 and credit to the expense of \$.8 million in 2023 for the recording of GASB Statement No. 68 and 75 for net pension and OPEB asset/liability. The judicial and public safety program and the general government program account for the largest number of departments within programs and, between these two programs, expenditures decreased \$2,918,708 in 2024 as compared to 2023. The decrease in expenditures for all three of these programs is primarily due to the changes in the net pension and net OPEB liabilities/asset, and related pension/OPEB expense. The public works program accounts for the maintenance and repairs of County roads and bridges. The majority of the health program is the activity of the ADAMHS Board as well as the operations of the Dog Warden. The community and economic development program primarily accounts for federal and state grants related to housing rehabilitation, business development and other community projects.

Financial Analysis of the Government'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 the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$424,975,126. Of this total amount, \$30,855,184 constitutes unassigned fund balance, which is available for appropriation at the County's discretion within certain legal constraints and purpose restrictions. The remainder of fund balance is either non-spendable, restricted, committed or assigned to indicate that it is not available for new spending.

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Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$36,605,835 while the total fund balance was \$71,869,537. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 34 percent of total General Fund expenditures and other financing uses, while total fund balance is 66 percent of that same amount.

The fund balance of the County's General Fund increased by \$16.8 million during the current fiscal year. Overall General Fund revenues increased in 2024 by \$22.2 million as compared to the previous year. The primary reason for this increase is an increase in interest income. All other revenue sources had nominal increases or decreases. Transfers to other governmental funds for operating purposes amounted to \$49.0 million during 2024.

With respect to the fund balances of the other major governmental funds, the DD Board Fund increased by \$2.0 million. The increase was due to an increase in contract service revenue. The fund balance of the ADAMHS Board Fund decreased by \$1,195,859. The fund balance of the Public Safety Capital Projects fund increased by \$103.1 million due to an issuance of debt.

Proprietary Funds: The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Water Fund had unrestricted net position at the end of the year of \$15,632,556. Unrestricted net position for the Wastewater Fund amounted to \$19,087,679. Total net position increased in both the Water and Sewer Funds due to and increase in sales and charges for services. The Solid Waste Fund's unrestricted net position amounted to \$1,333,454 and net position decreased by \$3,140,219. Operating revenues for all proprietary funds increased from \$48,858,594 to \$57,487,447, in 2024 as compared to 2023, and operating expenses increased by \$6,703,737, or 15 percent. The changes of the net pension liability, net OPEB liability, net pension asset, net OPEB asset, the related deferred inflows/outflows and personal services were a factor in the increase of operating expenses.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

General Fund Budgeting Highlights

Budgeting is prescribed by the Ohio Revised Code. 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 Revised Code. Final budgeted revenues and other financing sources increased by \$39,308,896 as compared to the original budget for a total increase of 55 percent, primarily due to increases in the estimates for sales tax, conveyance taxes, intergovernmental revenue, interest, miscellaneous revenue, and transfers in. Actual revenues and other financing sources received were \$1,576,529 more than the final certification.

Final budgeted expenditures and other financing uses, increased from the original budget. However, actual expenditures and other financing uses were \$7,201,771 less than final budgeted appropriations, which amounted to a 6 percent reduction from the final expenditure budget. The final budgeted appropriations increase was due mostly to an increase in transfers out. The transfers were needed to promote future capital public safety improvements throughout the County.

Capital Assets and Debt Administration

Capital Assets:

Table 3 shows 2024 values compared to 2023.

Capital Assets at December 31 (Net of Depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023 *	2024	2023 *	2024	2023 *
Land	\$ 5,554,011	\$ 5,554,011	\$ 3,709,686	\$ 3,709,686	\$ 9,263,697	\$ 9,263,697
Construction in progress	13,448,697	47,061,560	37,359,092	45,815,340	50,807,789	92,876,900
Total Non-Depreciable	19,002,708	52,615,571	41,068,778	49,525,026	60,071,486	102,140,597
Land improvements	2,441,897	2,481,728	1,205,457	1,212,373	3,647,354	3,694,101
Buildings and Improvements	121,887,182	88,743,650	-	-	121,887,182	88,743,650
Intangible Right-to-use Lease - Buildings	3,181,798	3,451,960	-	-	3,181,798	3,451,960
Intangible Right-to-use Subscription	2,154,534	2,662,445	-	-	2,154,534	2,662,445
Furniture, Fixtures, and Equipment	17,412,731	15,351,483	2,176,512	2,060,853	19,589,243	17,412,336
Infrastructure	131,875,751	131,255,723	-	-	131,875,751	131,255,723
Utility Plant in Service	-	-	199,659,197	182,681,519	199,659,197	182,681,519
Total Depreciable,						
Net of Depreciation	278,953,893	243,946,989	203,041,166	185,954,745	481,995,059	429,901,734
Total Capital Assets,						
Net of Depreciation	\$ 297,956,601	\$ 296,562,560	\$ 244,109,944	\$ 235,479,771	\$ 542,066,545	\$ 532,042,331

* Restated

The County's investment in capital assets for its governmental and business type activities as of December 31, 2024, amount to \$542,066,545 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, intangible right-to-use lease – buildings, intangible right-to-use subscription, equipment and machinery, roads, highways, bridges, utility service lines and related operating facilities and the

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

County landfill. Utility Plant in Service in the business-type activities includes all utility buildings and service lines associated with such operations.

Capital assets was restated due to the County's discounted use of software programs which resulted in the review and updating of the method of how depreciation was calculated previously.

Major capital asset events during the current fiscal year included the following:

ELECTIONS HARDWARE IPADS ACCESSORIES	\$ 160,285
PURCHASE 4 VEHICLES FOR ENGINEER	391,047
PURCHASE CHEVY TRAVERSE FOR BUILDING AND GROUNDS	36,060
PURCHASE 3 BUICK ENCORE FOR BUILDING INSPECTION	78,319
PURCHASE VEHICLE FOR CORONER	36,758
PURCHASE TITLE FLEET VEHICLE	27,825
PURCHASE 4 VEHICLES FOR DEEPWOOD	200,639
PURCHASE CHEVY COLORADO FOR DOG WARDEN	43,560
2024 JOHN DEERE 524 FOR ENGINEER	222,330
2023 ROAD RESURFACING	254,806
LIBERTY ST RESURFACING	118,154
RETAINING WALL MAIDSON AVE	531,351
ROOFING REPLACEMENT NARCOTICS	143,537
PAINE RD RETAINING WALL DESIGN	294,624
BRIDGE REPAIRS CALLOW RD	432,378
PROUTY ROAD CONSTRUCTION	413,780
2023 ROAD CONSTRUCTION	72,900
SANCTUARY ROAD REPAIRS	257,429
ADMIN BLDG UPDATES	1,009,570
MADISON ROAD REPAIRS	1,244,125
ADAMHS BUILDING RENOVATIONS	483,263

Additional information on the County's capital assets can be found in Note F of this report.

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Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

Debt

Table 4 summarizes the County's long-term obligations outstanding.

Outstanding Debt at December 31						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 66,858,000	\$ 3,049,000	\$ 1,359,164	\$ 1,413,251	\$ 68,217,164	\$ 4,462,251
Special Assessment Bonds	3,285,836	3,696,749	-	-	3,285,836	3,696,749
OWDA	-	-	14,288,812	10,751,455	14,288,812	10,751,455
Other Long-term Liabilities	1,624,668	1,765,419	1,745,040	1,482,383	3,369,708	3,247,802
Leases	3,227,988	3,487,330	-	-	3,227,988	3,487,330
Subscriptions	1,997,067	2,476,467	-	-	1,997,067	2,476,467
Notes Payable	-	-	9,156,097	5,697,016	9,156,097	5,697,016
Unamortized Premium on Debt	4,588,123	134,810	-	-	4,588,123	134,810
Landfill Closure & Postclosure	-	-	19,562,498	18,882,720	19,562,498	18,882,720
Compensated Absences	12,011,803	11,467,412	2,207,308	1,969,652	14,219,111	13,437,064
Net Pension Liability	126,910,491	152,801,631	19,738,414	21,268,437	146,648,905	174,070,068
Net OPEB Liability	-	2,963,147	-	415,805	-	3,378,952
Total Outstanding Debt	<u>\$ 220,503,976</u>	<u>\$ 181,841,965</u>	<u>\$ 68,057,333</u>	<u>\$ 61,880,719</u>	<u>\$ 288,561,309</u>	<u>\$ 243,722,684</u>

Of the debt outstanding at December 31, 2024, the general obligation bonds and notes are backed by the full faith and credit of the County and the special assessment bonds are debt that the County is liable for in the event of default by the property owner subject to the assessment. The Ohio Water Development Authority Loans (OWDA) are for water and wastewater utility improvements. The Other Long-term Liabilities are for water and wastewater utility improvements and road improvements. Lease and subscriptions are for the right to use of assets and software, which are paid for over the lease or subscription period.

General obligation bonds increased due to the issuance of a new bond for the Correctional Facilities Project.

The County maintains an "Aa1" credit rating from Moody's Investor Services, Inc. The overall debt margin at December 31, 2024 was \$183.6 million with an unvoted total debt margin of \$72.9 million. Additional information on the County's long-term debt can be found in Note H of this report.

Economic Factors and Next Year's Budgets and Rates

As previously stated, the fund balance in the General Fund increased in 2024 as a result interest income and miscellaneous revenue increases. The Commissioners and the department heads have worked diligently in reducing expenses as they plan for future large capital improvements including a public safety center.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

The Commissioners are reviewing all “non-statutorily” mandated expenditure functions to determine what can be further reduced and/or eliminated, and they are stringently monitoring all expenses and are continuing to curtail travel and equipment purchases unless absolutely needed.

The County's portion of federal and state-based revenue has also been affected by the economic conditions. The State of Ohio has experienced revenue losses and, as a result, has instituted cutbacks to state agencies and in their allocations to county and other local governments.

These reduced federal and state funding/reimbursements for various programs have, in some cases, resulted in additional pressure on the General Fund balance, as well as several other County funds.

The County supports expansion of local businesses and has begun many initiatives in recent years to further their support by offering low interest loans to businesses through the Community and Economic Development Department and by working closely with regional partners to continue future expansion of local businesses and/or retainage or creation of additional jobs for Lake County.

Inflationary trends for the County improved in 2023. The unemployment rate for the County at the end of 2024 was 3.3 percent, which was an increase from the 3.0 percent at the end of 2024. The County's rate compares favorably to the State rate of 3.1 percent at the end of 2023 and is slightly lower than the Federal rate of 3.5 percent. Lake County's economy has been resilient in contrast to other counties in the State of Ohio who are facing significant financial hardships and budget reductions.

The key factor is the County's large retail market and its diversified commercial and industrial economic base. Residential new construction edged up again in 2024. The County is fortunate to have a fairly large amount of undeveloped land in the eastern and southern portions of the County which can hopefully house future new development once the economy improves.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Christopher A. Galloway, Lake County Auditor, 105 Main Street, Painesville, Ohio 44077, (440) 350-2532, or email at: auditor@lakecountyohio.gov, or visit the County Web Site at: <http://www.lakecountyohio.gov>.

LAKE COUNTY, OHIO

Statement of Net Position

December 31, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Employment Program	Development Authority
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 478,234,644	\$ 67,944,026	\$ 546,178,670	\$ 993,101	\$ 2,530,928
Cash and Cash Equivalents:					
In Segregated Accounts	5,765,704	-	5,765,704		
Receivables:					
Property Taxes	58,078,940	-	58,078,940	-	-
Sales Tax	7,833,255	-	7,833,255	-	-
Accounts	647,744	12,401,346	13,049,090	58,411	33,279
Other Assets and Receivables	-	-	-	(159)	461,096
Special Assessments	9,125,229	-	9,125,229	-	-
Accrued Interest	13,986,686	-	13,986,686	-	-
Due from Other Governments	4,416,185	-	4,416,185	-	-
Materials and Supplies Inventory	778,578	2,503,700	3,282,278	1,019	-
Internal Balances	(355)	355	-	-	-
Loans Receivable	24,399	-	24,399	-	-
Prepaid Items	616,823	67,679	684,502	5,092	23,014
Nondepreciable Capital Assets	19,002,708	41,068,778	60,071,486	-	8,923,848
Depreciable Capital Assets	278,953,893	203,041,166	481,995,059	5,470	1,171,302
Net Pension Asset	1,599,998	250,958	1,850,956	-	49,790
Net OPEB Asset	4,389,542	671,978	5,061,520	-	18,023
Total Assets	883,453,973	327,949,986	1,211,403,959	1,062,934	13,211,280
DEFERRED OUTFLOWS OF RESOURCES					
Deferral on Refunding	19,669	-	19,669	-	-
Pension	40,825,337	6,363,500	47,188,837	-	140,207
OPEB	4,005,402	624,933	4,630,335	-	15,710
Total Deferred Outflows of Resources	44,850,408	6,988,433	51,838,841	-	155,917
LIABILITIES					
Accounts Payable	1,519,179	1,293,864	2,813,043	-	75,235
Accrued Wages and Benefits	693,484	115,380	808,864	27,147	-
Due to Other Governments	788,406	210,006	998,412	-	7,525
Employee Withholding and Benefits Payable	9,693,014	120,030	9,813,044	-	-
Matured Compensated Absences Payable	209,879	-	209,879	-	14,432
Accrued Interest Payable	1,489,267	246,565	1,735,832	-	-
Retainage Payable	-	827,969	827,969	-	-
Other Payables	-	-	-	4,046	302,582
Customer Deposits	-	597,876	597,876	-	-
Claims Payable	65,984	-	65,984	-	-
Unearned Revenue	7,717,620	2,845,523	10,563,143	-	-
Notes Payable	58,078,879	-	58,078,879	-	-
Long-term Liabilities:					
Due within one year	4,151,315	10,058,151	14,209,466	-	10,000
Due in more than one year:					
Net Pension Liability	126,910,491	19,738,414	146,648,905	-	307,096
Other Amounts Due in more than one year	89,442,170	38,260,768	127,702,938	-	70,000
Total Liabilities	300,759,688	74,314,546	375,074,234	31,193	786,870
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	56,272,580	-	56,272,580	-	-
Gain on Sale of Land and Leases	-	-	-	-	302,346
Pension	3,866,717	574,546	4,441,263	-	17,492
OPEB	2,546,975	389,362	2,936,337	-	11,318
Total Deferred Inflows of Resources	62,686,272	963,908	63,650,180	-	331,156
NET POSITION					
Net Investment in Capital Assets	43,315,709	222,683,340	265,999,049	5,470	10,015,150
Restricted for:					
Debt Service	7,935,035	-	7,935,035	-	-
Capital Projects	360,017,304	-	360,017,304	-	336,761
Roads and Bridges	9,544,160	-	9,544,160	-	-
Health Programs	3,641,328	-	3,641,328	-	-
Public Assistance/Human Services	55,151,750	-	55,151,750	-	-
Economic Development	13,479,734	-	13,479,734	-	-
Children's Services Programs	14,602,472	-	14,602,472	-	-
Other Public Works Activity	26,425,705	-	26,425,705	-	-
Judicial/Public Safety Grants/Programs	19,509,689	-	19,509,689	-	-
Pension/OPEB	5,989,540	922,936	6,912,476	7,017	-
Other Purposes	11,622,989	-	11,622,989	-	-
Unrestricted (Deficit)	(6,376,994)	36,053,689	29,676,695	1,019,254	1,897,260
Total Net Position	\$ 564,858,421	\$ 259,659,965	\$ 824,518,386	\$ 1,031,741	\$ 12,249,171

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY, OHIO
Statement of Activities
For the Year Ended December 31, 2024

		Program Revenues		
			Operating	Capital
		Charges for	Grants and	Grants and
	Expenses	Services	Contributions	Contributions
Primary Government:				
Governmental activities:				
Judicial and Public Safety	\$ 68,369,091	\$ 11,055,442	\$ 1,460,508	\$ 126,976
Health	18,864,906	639,532	5,898,486	-
Human Services	79,815,290	1,644,247	20,842,161	-
Community and Economic Development	3,799,626	-	2,717,595	-
Public Works	19,075,497	5,830,037	11,119,976	-
General Government	32,622,856	11,250,210	15,197,337	-
Interest and Fiscal Charges	2,944,962	-	-	-
Total Governmental activities	225,492,228	30,419,468	57,236,063	126,976
Business-type activities:				
Water	18,494,488	21,523,995	-	4,112,154
Wastewater	25,763,695	26,101,293	-	2,172,938
Solid Waste	8,409,358	8,721,033	-	-
Total Business-type activities	52,667,541	56,346,321	-	6,285,092
Total Primary Government	\$ 278,159,769	\$ 86,765,789	\$ 57,236,063	\$ 6,412,068
Component Units:				
Employment Program	\$ 2,006,651	\$ 597,187	\$ 1,426,504	\$ -
Port Authority	5,936,858	321,003	922,480	3,837,389
Total Component Units	\$ 7,943,509	\$ 918,190	\$ 2,348,984	\$ 3,837,389

General Revenues:

Property Taxes levied for:
General Purposes
Developmental Disabilities
Mental Health
Children's Services
Narcotics Agency
Forensic Crime Laboratory
Senior Citizen Services
Sales Taxes Levied for General Purposes
Conveyance Tax Levied for General Purposes
Lodging Tax Levied for Specific Purposes
Grants and Entitlements not Restricted to Specific Programs
Investment Income
Gain on Sale of Capital Assets
All Other Revenues
Transfers
Total General Revenues
Change in Net Position
Net Position - Beginning of Year, as Previously Reported
Accounting Adjustments
Net Position - Beginning of Year, as Restated
Net Position - End of Year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Employment Program	Development Authority	
\$ (55,726,165)	\$ -	\$ (55,726,165)	\$ -	\$ -	
(12,326,888)	-	(12,326,888)	-	-	
(57,328,882)	-	(57,328,882)	-	-	
(1,082,031)	-	(1,082,031)	-	-	
(2,125,484)	-	(2,125,484)	-	-	
(6,175,309)	-	(6,175,309)	-	-	
(2,944,962)	-	(2,944,962)	-	-	
(137,709,721)	-	(137,709,721)	-	-	
-	7,141,661	7,141,661	-	-	
-	2,510,536	2,510,536	-	-	
-	311,675	311,675	-	-	
-	9,963,872	9,963,872	-	-	
\$ (137,709,721)	\$ 9,963,872	\$ (127,745,849)	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ 17,040	\$ -	
-	-	-	-	(855,986)	
\$ -	\$ -	\$ -	\$ 17,040	(855,986)	
6,150,309	-	6,150,309	-	-	
25,628,316	-	25,628,316	-	-	
8,708,896	-	8,708,896	-	-	
5,736,649	-	5,736,649	-	-	
1,171,049	-	1,171,049	-	-	
3,842,746	-	3,842,746	-	-	
4,531,349	-	4,531,349	-	-	
48,817,460	-	48,817,460	-	-	
5,168,839	-	5,168,839	-	-	
2,585,390	-	2,585,390	-	-	
14,099,922	-	14,099,922	-	-	
34,875,054	-	34,875,054	39,803	82,381	
103,834	25,731	129,565	-	54,764	
12,451,828	1,141,126	13,592,954	-	224,383	
130,000	(130,000)	-	-	-	
174,001,641	1,036,857	175,038,498	39,803	361,528	
36,291,920	11,000,729	47,292,649	56,843	(494,458)	
421,633,503	273,389,457	695,022,960	974,898	12,743,629	
106,932,998	(24,730,221)	82,202,777	-	-	
528,566,501	248,659,236	777,225,737	974,898	12,743,629	
\$ 564,858,421	\$ 259,659,965	\$ 824,518,386	\$ 1,031,741	\$ 12,249,171	

LAKE COUNTY, OHIO

Balance Sheet Governmental Funds December 31, 2024

	General Fund	Developmental Disabilities Board	ADAMHS	American Rescue Plan Act	Public Safety	Other Governmental Funds	Total Governmental Funds
ASSETS							
Equity in Pooled Cash and Cash Equivalents	\$ 53,019,047	\$ 50,393,892	\$ 3,788,933	\$ 7,864,820	\$ 211,868,558	\$ 137,647,085	\$ 464,582,335
Cash and Cash Equivalents:							
In Segregated Accounts	5,765,704	-	-	-	-	-	5,765,704
Receivables:							
Property Taxes	6,908,930	26,430,484	8,980,517	-	-	15,759,009	58,078,940
Sales Tax	7,833,255	-	-	-	-	-	7,833,255
Accounts	215,737	45,227	16,125	-	-	370,655	647,744
Special Assessments	-	-	-	-	-	9,125,229	9,125,229
Accrued Interest	13,947,286	-	-	-	-	39,400	13,986,686
Due from Other Funds	47,376	-	-	-	-	34,643	82,019
Due from Other Governments	763,175	648,854	97,772	-	-	2,860,942	4,370,743
Materials and Supplies Inventory	-	-	-	-	-	752,740	752,740
Interfund Receivable	19,765	-	-	-	-	-	19,765
Loans Receivable	-	-	-	-	-	24,399	24,399
Prepaid Items	523,093	48,785	7,200	-	-	37,601	616,679
Total Assets	<u>\$ 89,043,368</u>	<u>\$ 77,567,242</u>	<u>\$ 12,890,547</u>	<u>\$ 7,864,820</u>	<u>\$ 211,868,558</u>	<u>\$ 166,651,703</u>	<u>\$ 565,886,238</u>
Liabilities:							
Accounts Payable	\$ 270,058	\$ 219,661	\$ 317,007	\$ 147,200	\$ -	\$ 559,561	\$ 1,513,487
Accrued Wages and Benefits	337,881	182,629	6,331	-	-	165,048	691,889
Matured Compensated Absences Payable	15,365	66,051	4,161	-	-	124,302	209,879
Employee Withholdings and Benefits Payable	9,128,846	192,711	7,512	-	-	363,945	9,693,014
Due to Other Governments	460,848	33,915	10,316	-	-	281,038	786,117
Due to Other Funds	47,109	-	-	-	-	33,885	80,994
Interfund Payable	-	-	-	-	-	19,765	19,765
Unearned Revenue	-	-	-	7,717,620	-	-	7,717,620
Notes Payable	-	-	-	-	50,000,000	8,078,879	58,078,879
Total Liabilities	<u>10,260,107</u>	<u>694,967</u>	<u>345,327</u>	<u>7,864,820</u>	<u>50,000,000</u>	<u>9,626,423</u>	<u>78,791,644</u>
Deferred Inflows of Resources:							
Property Taxes	6,660,622	25,623,999	8,708,144	-	-	15,279,815	56,272,580
Unavailable Revenue - Delinquent Property Taxes	248,308	806,485	272,373	-	-	479,194	1,806,360
Unavailable Revenue - Special Assessments	-	-	-	-	-	3,369,710	3,369,710
Unavailable Revenue - Intergovernmental	4,794	-	97,772	-	-	568,252	670,818
Total Deferred Inflows of Resources	<u>6,913,724</u>	<u>26,430,484</u>	<u>9,078,289</u>	<u>-</u>	<u>-</u>	<u>19,696,971</u>	<u>62,119,468</u>
Fund Balances:							
Nonspendable	913,359	48,785	7,200	-	-	790,341	1,759,685
Restricted	-	50,393,006	3,459,731	-	103,148,793	135,105,841	292,107,371
Committed	31,326,535	-	-	-	58,719,765	7,182,778	97,229,078
Assigned	3,023,808	-	-	-	-	-	3,023,808
Unassigned (Deficit)	36,605,835	-	-	-	-	(5,750,651)	30,855,184
Total Fund Balances	<u>71,869,537</u>	<u>50,441,791</u>	<u>3,466,931</u>	<u>-</u>	<u>161,868,558</u>	<u>137,328,309</u>	<u>424,975,126</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 89,043,368</u>	<u>\$ 77,567,242</u>	<u>\$ 12,890,547</u>	<u>\$ 7,864,820</u>	<u>\$ 211,868,558</u>	<u>\$ 166,651,703</u>	<u>\$ 565,886,238</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY, OHIO
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2024*

Total Governmental Funds Balance	\$ 424,975,126
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds	297,956,601
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenues in the funds:

Property Taxes	1,806,360	
Special Assessments	3,369,710	
Intergovernmental	670,818	
Total		5,846,888

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(1,489,267)
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Internal Service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service funds are included in Governmental Activities in the Statement of Net Position.	13,646,793
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The net pension liability/asset and the net OPEB liability are not due and payable in the current period; and the net pension and net OPEB asset are not available for spending in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	40,825,337	
Deferred Inflows - Pension	(3,866,717)	
Net Pension Asset	1,599,998	
Net OPEB Asset	4,389,542	
Net Pension Liability	(126,910,491)	
Deferred Outflows - OPEB	4,005,402	
Deferred Inflows - OPEB	(2,546,975)	
Total		(82,503,904)

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

General obligation bonds and notes	(66,858,000)	
Special assessment bonds	(3,285,836)	
Unamortized premiums	(4,588,123)	
Deferral on refunding	19,669	
Compensated absences	(12,011,803)	
Leases and Subscriptions	(5,225,055)	
OPWC loans	(1,624,668)	
Total		(93,573,816)

Net Position of Governmental Activities	\$ 564,858,421
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The notes to the basic financial statements are an integral part of this statement.

LAKE COUNTY, OHIO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General Fund	Developmental Disabilities Board	ADAMHS	American Rescue Plan Act	Public Safety	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 6,113,923	\$ 25,652,587	\$ 8,717,979	\$ -	\$ -	\$ 15,296,932	\$ 55,781,421
Sales Tax	48,817,460	-	-	-	-	-	48,817,460
Conveyance and Other Local Taxes	5,172,953	-	-	-	-	2,533,997	7,706,950
Intergovernmental	8,951,457	15,560,601	7,953,790	15,021,859	-	32,662,144	80,149,851
Interest	33,193,123	-	-	-	1,084,972	596,959	34,875,054
Licenses and Permits	1,441,349	-	-	-	-	770,015	2,211,364
Fines and Forfeitures	590,335	-	-	-	-	2,099,592	2,689,927
Fees and Charges for Services	8,595,276	648,854	-	-	-	11,746,854	20,990,984
Contributions and Donations	-	-	-	-	-	24,959	24,959
Special Assessments	-	-	-	-	-	5,408,084	5,408,084
All Other Revenues	4,096,057	1,632,173	887,754	-	321	5,591,870	12,208,175
Total Revenues	<u>116,971,933</u>	<u>43,494,215</u>	<u>17,559,523</u>	<u>15,021,859</u>	<u>1,085,293</u>	<u>76,731,406</u>	<u>270,864,229</u>
EXPENDITURES							
Judicial and Public Safety	41,847,733	-	-	8,419,314	-	15,509,959	65,777,006
Health	18,170	3,236	12,791,381	-	-	677,424	13,490,211
Human Services	1,423,391	40,071,433	-	6,455,345	-	29,755,721	77,705,890
Community and Economic Development	-	-	-	-	-	3,797,391	3,797,391
Public Works	197,390	-	-	147,200	-	13,150,875	13,495,465
General Government	15,087,481	-	-	-	-	7,698,757	22,786,238
Capital Outlay	270,967	-	5,908,842	-	4,574,137	16,148,210	26,902,156
Debt Service:							
Principal Retirement	563,327	-	52,893	-	-	2,162,127	2,778,347
Interest and Fiscal Charges	204	-	2,266	-	-	575,663	578,133
Bond Issuance Costs	-	-	-	-	-	1,020,971	1,020,971
Total Expenditures	<u>59,408,663</u>	<u>40,074,669</u>	<u>18,755,382</u>	<u>15,021,859</u>	<u>4,574,137</u>	<u>90,497,098</u>	<u>228,331,808</u>
Excess of Revenues Over (Under) Expenditures	<u>57,563,270</u>	<u>3,419,546</u>	<u>(1,195,859)</u>	<u>-</u>	<u>(3,488,844)</u>	<u>(13,765,692)</u>	<u>42,532,421</u>
OTHER FINANCING SOURCES (USES)							
Sale of Capital Assets	40,889	-	-	-	-	62,945	103,834
Issuance of Lease	270,967	-	-	-	-	25,974	296,941
General Obligation Bonds Issued	-	-	-	-	65,000,000	-	65,000,000
Premium on Debt Issuance	-	-	-	-	-	4,560,241	4,560,241
Transfers In	7,842,595	-	-	-	41,637,637	14,253,690	63,733,922
Transfers Out	(48,909,577)	(1,400,000)	-	-	-	(13,294,345)	(63,603,922)
Total Other Financing Sources (Uses)	<u>(40,755,126)</u>	<u>(1,400,000)</u>	<u>-</u>	<u>-</u>	<u>106,637,637</u>	<u>5,608,505</u>	<u>70,091,016</u>
Net Change in Fund Balances	<u>16,808,144</u>	<u>2,019,546</u>	<u>(1,195,859)</u>	<u>-</u>	<u>103,148,793</u>	<u>(8,157,187)</u>	<u>112,623,437</u>
Fund Balances - Beginning of Year	55,061,393	48,422,245	4,662,790	-	58,719,765	145,485,496	312,351,689
Fund Balances - End of Year	<u>\$ 71,869,537</u>	<u>\$ 50,441,791</u>	<u>\$ 3,466,931</u>	<u>\$ -</u>	<u>\$ 161,868,558</u>	<u>\$ 137,328,309</u>	<u>\$ 424,975,126</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY, OHIO
*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 \$ 112,623,437

*Amounts reported for Governmental Activities in the Statement of Activities
are different because:*

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 expense. This is the amount by which
capital asset additions exceeded capital depreciation in the current period.

Capital Asset Additions	\$ 15,460,291	
Depreciation	(14,066,250)	
Total		1,394,041

Revenues in the Statement of Activities that do not provide current financial
resources are not reported as revenues in the funds.

Delinquent Property and Other Local Taxes	(12,107)	
Special assessments	(9,348)	
Intergovernmental	(9,591,092)	
Total		(9,612,547)

Other financing sources in the Governmental funds increase long-term
liabilities in the Statement of Net Position. These sources were attributed
to the issuance of debt and the related premiums. (69,857,182)

Repayment of bond principal, notes, OPWC loan, financed purchases, and leases
are expenditures in the Governmental funds, but the repayment reduces
long-term liabilities in the Statement of Net Position. 2,778,347

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

Pension	12,169,820	
OPEB	153,900	
		12,323,720

Except for amounts reported as deferred inflows/outflows, changes
in the net pension/OPEB liability are reported as pension expense in
the statement of activities.

Pension	(10,805,178)	
OPEB	798,103	
		(10,007,075)

Some expenses reported in the Statement of Activities do not require
the use of current financial resources and therefore are not reported
as expenditures in Governmental funds.

Compensated absences	(544,391)	
Accrued interest on bonds	(1,429,189)	
Amortization of bond premiums	106,928	
Amortization of loss on refunding	(23,597)	
Total		(1,890,249)

Internal Service funds are used by management to charge costs to certain
activities, such as insurance to individual funds. The net revenue (expense)
of Internal Service funds are reported in the Governmental Activities.

	(1,460,572)	
Change in Net Position of Governmental Activities	\$ 36,291,920	

The notes to the basic financial statements are an integral part of this statement.

LAKE COUNTY, OHIO
*Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 6,420,000	\$ 6,668,575	\$ 6,668,575	\$ -
Sales Tax	40,000,000	48,943,000	48,942,556	(444)
Conveyances and Other Local Taxes	3,001,500	5,178,000	5,172,953	(5,047)
Fees and Charges for Services	5,558,025	6,301,678	6,214,487	(87,191)
License and Permits	1,120,000	1,441,800	1,441,449	(351)
Fines and Forfeitures	162,000	163,700	152,106	(11,594)
Intergovernmental	7,707,788	9,212,272	9,026,024	(186,248)
Interest	5,000,000	17,376,000	17,375,615	(385)
All Other Revenues	2,690,338	4,132,202	3,999,952	(132,250)
Total Revenues	<u>71,659,651</u>	<u>99,417,227</u>	<u>98,993,717</u>	<u>(423,510)</u>
Expenditures:				
Current:				
General Government	21,259,235	21,230,295	19,961,888	1,268,407
Judicial and Public Safety	49,238,108	46,955,186	41,802,290	5,152,896
Public Works	225,896	226,165	207,806	18,359
Human Services	1,878,997	1,988,167	1,446,468	541,699
Health	38,255	38,255	18,256	19,999
Total Expenditures	<u>72,640,491</u>	<u>70,438,068</u>	<u>63,436,708</u>	<u>7,001,360</u>
Excess of Revenues Over (Under) Expenditures	(980,840)	28,979,159	35,557,009	6,577,850
Other Financing Sources (Uses)				
Sale of Capital Assets	-	40,850	40,889	39
Transfers In	364,000	11,874,470	13,874,470	2,000,000
Transfers Out	(3,582,100)	(51,109,987)	(50,909,576)	200,411
Total Other Financing Sources (Uses)	<u>(3,218,100)</u>	<u>(39,194,667)</u>	<u>(36,994,217)</u>	<u>2,200,450</u>
Net Change in Fund Balance	(4,198,940)	(10,215,508)	(1,437,208)	8,778,300
Fund Balance - Beginning of Year, Restated	39,552,811	39,552,811	39,552,811	-
Prior Year Encumbrances Appropriated	1,838,274	1,838,274	1,838,274	-
Fund Balance - End of Year	<u>\$ 37,192,145</u>	<u>\$ 31,175,577</u>	<u>\$ 39,953,877</u>	<u>\$ 8,778,300</u>

See accompanying notes to the basic financial statements.

LAKE COUNTY, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual Developmental Disabilities Board Fund For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 25,900,790	\$ 25,652,600	\$ 25,652,587	\$ (13)
Intergovernmental	13,708,147	16,286,737	16,176,547	(110,190)
Contributions and Donations	2,500	2,700	-	(2,700)
All Other Revenues	952,030	1,619,300	1,606,573	(12,727)
Total Revenues	<u>40,563,467</u>	<u>43,561,337</u>	<u>43,435,707</u>	<u>(125,630)</u>
Expenditures:				
Current:				
Human Services	42,853,083	45,123,507	41,458,989	3,664,518
Total Expenditures	<u>42,853,083</u>	<u>45,123,507</u>	<u>41,458,989</u>	<u>3,664,518</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,289,616)</u>	<u>(1,562,170)</u>	<u>1,976,718</u>	<u>3,538,888</u>
Other Financing (Uses)				
Transfers In	-	400,000	-	(400,000)
Transfers Out	(2,400,000)	(3,400,000)	(1,400,000)	2,000,000
Total Other Financing (Uses)	<u>(2,400,000)</u>	<u>(3,000,000)</u>	<u>(1,400,000)</u>	<u>1,600,000</u>
Net Change in Fund Balance	(4,689,616)	(4,562,170)	576,718	5,138,888
Fund Balance - Beginning of Year, Restated	48,572,873	48,572,873	48,572,873	-
Prior Year Encumbrances Appropriated	468,161	468,161	468,161	-
Fund Balance - End of Year	<u>\$ 44,351,418</u>	<u>\$ 44,478,864</u>	<u>\$ 49,617,752</u>	<u>\$ 5,138,888</u>

See accompanying notes to the basic financial statements.

LAKE COUNTY, OHIO
*Statement of Revenues, Expenditures, and Changes in Fund Balance-
 Budget (Non-GAAP Basis) and Actual*
Board of Alcohol, Drug Addiction & Mental Health Services Fund (ADAMHS BOARD)
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 8,725,000	\$ 8,732,025	\$ 8,717,979	\$ (14,046)
Intergovernmental	7,059,797	11,347,222	9,266,904	(2,080,318)
All Other Revenues	1,113,000	1,113,000	871,629	(241,371)
Total Revenues	<u>16,897,797</u>	<u>21,192,247</u>	<u>18,856,512</u>	<u>(2,335,735)</u>
Expenditures:				
Current:				
Health	14,738,684	16,054,120	14,087,135	1,966,985
Capital Outlay	4,730,088	7,248,850	5,908,842	1,340,008
Total Expenditures	<u>19,468,772</u>	<u>23,302,970</u>	<u>19,995,977</u>	<u>3,306,993</u>
Net Change in Fund Balance	(2,570,975)	(2,110,723)	(1,139,465)	971,258
Fund Balance - Beginning of Year, Restated	2,739,257	2,739,257	2,739,257	-
Prior Year Encumbrances Appropriated	650,572	650,572	650,572	-
Fund Balance - End of Year	<u>\$ 818,854</u>	<u>\$ 1,279,106</u>	<u>\$ 2,250,364</u>	<u>\$ 971,258</u>

See accompanying notes to the basic financial statements.

LAKE COUNTY, OHIO
*Statement of Revenues, Expenditures, and Changes in Fund Balance-
 Budget (Non-GAAP Basis) and Actual
 American Rescue Plan Act Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General Government	19,854,111	24,703,286	23,228,320	1,474,966
Total Expenditures	<u>19,854,111</u>	<u>24,703,286</u>	<u>23,228,320</u>	<u>1,474,966</u>
Net Change in Fund Balance	(19,854,111)	(24,703,286)	(23,228,320)	1,474,966
Fund Balance - Beginning of Year, Restated	13,358,626	13,358,626	13,358,626	-
Prior Year Encumbrances Appropriated	9,954,111	9,954,111	9,954,111	-
Fund Balance - End of Year	<u>\$ 3,458,626</u>	<u>\$ (1,390,549)</u>	<u>\$ 84,417</u>	<u>\$ 1,474,966</u>

See accompanying notes to the basic financial statements.

LAKE COUNTY, OHIO
Statement of Fund Net Position
Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise				Governmental Activities
	Water	Waste Water	Solid Waste	Total	Internal Service Funds
ASSETS					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 20,051,341	\$ 26,852,663	\$ 21,040,022	\$ 67,944,026	\$ 13,652,309
Materials and Supplies Inventory	2,143,240	358,271	2,189	2,503,700	25,838
Accounts Receivable	5,664,538	5,874,912	861,896	12,401,346	-
Due from Other Funds	8,037	2,067	758	10,862	49,052
Due from Other Governments	-	-	-	-	45,442
Prepaid Items	27,162	35,289	5,228	67,679	144
Total Current Assets	27,894,318	33,123,202	21,910,093	82,927,613	13,772,785
Noncurrent Assets:					
Capital Assets:					
Land	399,593	1,454,624	1,855,469	3,709,686	-
Construction in Progress	5,022,848	27,896,522	4,439,722	37,359,092	-
Depreciable Assets, Net of Depreciation	87,945,185	107,548,373	7,547,608	203,041,166	-
Net Pension Asset	115,091	122,508	13,359	250,958	270
Net OPEB Asset	308,174	328,033	35,771	671,978	724
Total Noncurrent Assets	93,790,891	137,350,060	13,891,929	245,032,880	994
Total Assets	121,685,209	170,473,262	35,802,022	327,960,493	13,773,779
DEFERRED OUTFLOWS OF RESOURCES					
Pension	2,918,350	3,106,410	338,740	6,363,500	6,855
OPEB	286,599	305,068	33,266	624,933	673
Total Deferred Outflows of Resources	3,204,949	3,411,478	372,006	6,988,433	7,528
LIABILITIES					
Current Liabilities:					
Accounts Payable	829,314	464,150	400	1,293,864	5,692
Accrued Wages and Benefits	53,001	55,795	6,584	115,380	1,595
Customer Deposits Payable	296,700	301,176	-	597,876	-
Retainage Payable	122,073	611,702	94,194	827,969	-
Due to Other Governments	126,538	74,948	8,520	210,006	2,289
Due to Other Funds	8,723	1,637	147	10,507	50,432
Employee Withholdings and Benefits Payable	55,157	58,502	6,371	120,030	-
Accrued Interest Payable	65,625	180,940	-	246,565	-
Unearned Revenue	1,385,597	1,459,926	-	2,845,523	-
Compensated Absences Payable	70,158	70,678	14,136	154,972	3,519
Claims Payable	-	-	-	-	65,984
General Obligation Bonds Payable	-	55,832	-	55,832	-
Notes Payable	3,006,120	6,149,977	-	9,156,097	-
OWDA Loans Payable	28,150	558,041	-	586,191	-
Other Long Term Debt Payable	53,179	51,880	-	105,059	-
Total Current Liabilities	6,100,335	10,095,184	130,352	16,325,871	129,511
Noncurrent Liabilities:					
Compensated Absences Payable	929,122	936,012	187,202	2,052,336	46,598
General Obligation Bonds Payable	-	1,303,332	-	1,303,332	-
OWDA Loans Payable	365,946	13,336,675	-	13,702,621	-
Other Long Term Debt Payable	883,180	756,801	-	1,639,981	-
Landfill Closure and Post-Closure Costs	-	-	19,562,498	19,562,498	-
Net Pension Liability	9,052,187	9,635,516	1,050,711	19,738,414	21,266
Total Noncurrent Liabilities	11,230,435	25,968,336	20,800,411	57,999,182	67,864
Total Liabilities	17,330,770	36,063,520	20,930,763	74,325,053	197,375
DEFERRED INFLOWS OF RESOURCES					
Pension	263,491	280,471	30,584	574,546	619
OPEB	178,564	190,071	20,727	389,362	419
Total Deferred Inflows of Resources	442,055	470,542	51,311	963,908	1,038
NET POSITION					
Net Investment in Capital Assets	91,061,512	117,812,458	13,809,370	222,683,340	-
Restricted for:					
Pension	423,265	450,541	49,130	922,936	994
Unrestricted	15,632,556	19,087,679	1,333,454	36,053,689	13,581,900
Total Net Position	\$ 107,117,333	\$ 137,350,678	\$ 15,191,954	\$ 259,659,965	\$ 13,582,894

See accompany notes to the basic financial statements.

LAKE COUNTY, OHIO
*Statement of Revenues, Expenditures, and Changes in Net Position-
Proprietary Funds
For the Year Ended December 31, 2024*

	Business-Type Activities - Enterprise				Governmental Activities
	Water	Waste Water	Solid Waste	Total	Internal Service Funds
OPERATING REVENUES					
Water Sales	\$ 20,894,424	\$ -	\$ -	\$ 20,894,424	\$ -
Sewer Charges	-	21,375,854	-	21,375,854	-
Fees, Permits and Tap-Ins	85,000	3,092,232	-	3,177,232	-
Charges for Services	544,571	1,633,207	8,721,033	10,898,811	21,689,011
Other Operating Revenues	1,064,689	58,585	17,852	1,141,126	34,384
Total Operating Revenues	22,588,684	26,159,878	8,738,885	57,487,447	21,723,395
OPERATING EXPENSES					
Personal Services	8,839,906	9,242,004	1,068,715	19,150,625	273,119
Materials and Supplies	2,690,680	1,831,102	87,821	4,609,603	774,737
Contractual Services	910,848	5,798,784	6,412,036	13,121,668	270,740
Depreciation	3,519,586	6,306,978	754,888	10,581,452	-
Insurance Claims	-	-	-	-	19,771,518
Other	2,456,048	2,180,466	85,898	4,722,412	2,101,575
Total Operating Expenses	18,417,068	25,359,334	8,409,358	52,185,760	23,191,689
Operating Income (Loss)	4,171,616	800,544	329,527	5,301,687	(1,468,294)
NONOPERATING REVENUES (EXPENSES)					
Gain on Sale of Capital Assets	12,875	12,856	-	25,731	-
Interest and Fiscal Charges	(77,420)	(404,361)	-	(481,781)	-
Total Nonoperating Revenues (Expenses)	(64,545)	(391,505)	-	(456,050)	-
Income (Loss) Before Capital Contributions and Transfers	4,107,071	409,039	329,527	4,845,637	(1,468,294)
Grants and Contributed Capital	4,112,154	2,172,938	-	6,285,092	-
Transfers Out	(65,000)	(65,000)	-	(130,000)	-
Change in Net Position	8,154,225	2,516,977	329,527	11,000,729	(1,468,294)
Net Position - Beginning of Year, Restated	98,963,108	134,833,701	14,862,427	248,659,236	15,051,188
Net Position - End of Year	\$ 107,117,333	\$ 137,350,678	\$ 15,191,954	\$ 259,659,965	\$ 13,582,894

See accompany notes to the basic financial statements.

LAKE COUNTY, OHIO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type Activities - Enterprise				Governmental Activities
	Water	Waste Water	Solid Waste	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 34,123,064	\$ 24,139,171	\$ 8,861,486	\$ 67,123,721	\$ 21,775,570
Other Operating Revenues	1,064,689	58,585	17,852	1,141,126	158,305
Cash Payments to Employees for Services	(8,491,363)	(9,010,612)	(980,628)	(18,482,603)	(273,108)
Cash Payments for Supplies	(2,952,007)	(1,815,449)	(87,450)	(4,854,906)	(758,261)
Cash Payments for Contractual Services	(15,580,647)	(6,550,285)	(4,124,462)	(26,255,394)	(222,926)
Cash Payments for Claims	-	-	-	-	(19,912,330)
Other Cash Payments	(2,473,945)	(2,187,882)	(1,781,759)	(6,443,586)	(2,102,512)
Net Cash Provided by (Used for) Operating Activities	5,689,791	4,633,528	1,905,039	12,228,358	(1,335,262)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	4,146,421	6,566,931	1,832,639	12,545,991	-
Transfers Out	(4,211,421)	(6,631,931)	(1,832,639)	(12,675,991)	-
Net Cash (Used for) Noncapital Financing Activities	(65,000)	(65,000)	-	(130,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Grants Received	2,928,169	1,085,073	-	4,013,242	-
Proceeds from OPWC Loans	369,361	4,173,377	-	4,542,738	-
Proceeds of Notes	3,000,000	6,140,000	-	9,140,000	-
Premium on Note Issuances	-	31,293	-	31,293	-
Proceeds from Sale of Capital Assets	12,875	12,856	-	25,731	-
Principal Paid on Debt	(1,370,079)	(5,116,732)	-	(6,486,811)	-
Interest Paid on Debt	(60,917)	(491,857)	-	(552,774)	-
Payments for Capital Acquisitions	(5,318,710)	(9,483,204)	(1,930,611)	(16,732,525)	-
Net Cash (Used for) Capital and Related Financing Activities	(439,301)	(3,649,194)	(1,930,611)	(6,019,106)	-
Net Increase (Decrease) in Cash and Cash Equivalents	5,185,490	919,334	(25,572)	6,079,252	(1,335,262)
Cash and Cash Equivalents - Beginning of Year	14,865,851	25,933,329	21,065,594	61,864,774	14,987,571
Cash and Cash Equivalents - End of Year	\$ 20,051,341	\$ 26,852,663	\$ 21,040,022	\$ 67,944,026	\$ 13,652,309

(Continued)

LAKE COUNTY, OHIO
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended December 31, 2024

	Business-Type Activities				Governmental Activities
	Water	Waste Water	Solid Waste	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 4,171,616	\$ 800,544	\$ 329,527	\$ 5,301,687	\$ (1,468,294)
Adjustments:					
Depreciation	3,519,586	6,306,978	754,888	10,581,452	-
(Increase) Decrease in Assets and Deferred Outflows:					
Accounts Receivable	(1,960,675)	(1,918,700)	112,786	(3,766,589)	-
Due from Other Governments	-	-	-	-	211,650
Materials and Supplies Inventory	(141,496)	16,259	245	(124,992)	3,535
Due from Other Funds	(8,037)	8,883	27,667	28,513	(1,170)
Prepaid Items	(1,085)	(1,212)	(378)	(2,675)	(48)
Net Pension Asset	(33,641)	(32,663)	(4,026)	(70,330)	(18)
Net OPEB Asset	(308,174)	(328,033)	(35,771)	(671,978)	(724)
Deferred Outflows of Resources - Pension and OPEB	1,341,792	1,603,932	148,977	3,094,701	6,524
Increase (Decrease) in Liabilities and Deferred Inflows:					
Accounts Payable	(218,302)	(1,070,105)	7,785	(1,280,622)	(4,731)
Accrued Wages	(183,545)	(196,251)	(18,424)	(398,220)	(6,681)
Due to Other Funds	(16,172)	(34,121)	(904)	(51,197)	50,208
Due to Other Governments	20,610	(40,250)	(116,392)	(136,032)	(1,742)
Customer Deposits	1,375	(52,305)	-	(50,930)	-
Payroll Withholdings Payable	(51,202)	(58,550)	(5,689)	(115,441)	-
Compensated Absences Payable	59,944	134,609	43,103	237,656	10,364
Retainage Payable	(54,421)	355,942	19,113	320,634	-
Landfill Closure and Post-Closure Costs	-	-	679,778	679,778	-
Claims Payable	-	-	-	-	(125,711)
Net Pension Liability	(538,291)	(943,526)	(48,206)	(1,530,023)	(8,373)
Net OPEB Liability	(187,497)	(206,824)	(21,484)	(415,805)	(580)
Deferred Inflows of Resources - Pension and OPEB	277,406	288,921	32,444	598,771	529
Net Cash Provided by (Used for) Operating Activities	\$ 5,689,791	\$ 4,633,528	\$ 1,905,039	\$ 12,228,358	\$ (1,335,262)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
In 2024, the County received infrastructure donations	\$ 1,183,985	\$ 1,087,865	\$ -	\$ 2,271,850	\$ -
The net impact of accruals related to capital assets	\$ 200,183	\$ (418,514)	\$ 11,081	\$ (207,250)	\$ -

See accompany notes to the basic financial statements.

LAKE COUNTY, OHIO
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

	<u>Custodial</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 17,200,825
Cash and Cash Equivalents in Segregated Accounts	2,374,867
Cash and Cash Equivalents with Fiscal Agent	8,212,875
Receivables:	
Due from Other Governments	2,095,206
Property Taxes	434,550,729
Special Assessments	25,089,370
Total Assets	<u><u>489,523,872</u></u>
LIABILITIES	
Due to Other Governments	19,725,220
Total Liabilities	<u><u>19,725,220</u></u>
DEFERRED INFLOWS OF RESOURCES	
Special Assessments	21,625,842
Property Taxes	432,744,369
Total Deferred Inflows of Resources	<u><u>454,370,211</u></u>
NET POSITION	
Restricted For:	
Individuals, Organizations, and Other Governments	15,428,441
Total Net Position	<u><u>\$ 15,428,441</u></u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY, OHIO
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2024

	<u>Custodial</u>
ADDITIONS	
Intergovernmental	\$ 25,666,259
Amounts Received as Fiscal Agent	13,641,248
Special Assessment Collections for Other Governments	6,451,632
Property Tax Collections for Other Governments	478,253,386
Licenses, Permits, & Fees Distributions for Other Governments	1,046,933
Fines and Forfeitures for Other Governments	2,448,744
Total Additions	<u>527,508,202</u>
DEDUCTIONS	
Distributions to the State of Ohio	3,341,296
Distributions of State Funds to Other Governments	16,379,304
Property Tax Collections to Other Governments	476,269,993
Special Assessment Collections to Other Governments	7,963,644
Distributions as Fiscal Agent	23,436,182
Total Deductions	<u>527,390,419</u>
Net Increase in Fiduciary Net Position	117,783
 Net Position - Beginning of Year	 <u>15,310,658</u>
Net Position - End of Year	<u>\$ 15,428,441</u>

The notes to the financial statements are an integral part of this statement.

Notes to the Basic Financial Statements

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

NOTE A – DESCRIPTION OF LAKE COUNTY

Lake County was established in March 1840 by an act of the Ohio General Assembly. Situated on Lake Erie in the extreme northeastern part of Ohio, the County operates as a political subdivision of the State of Ohio, exercising only those powers and powers incidental thereto, conferred by the Ohio Legislature. Lake County voters elect a total of eleven legislative and administrative county officials. The three-member Board of Commissioners is the legislative and executive body of the County. The County Auditor is the chief fiscal officer and tax assessor. The County Treasurer serves as the custodian of all County funds and as tax collector. In addition, there are six other elected administrative officials provided for by Ohio law, which include the Clerk of Courts, Coroner, Engineer, Prosecutor, Recorder, and Sheriff. The judicial branch of the County is comprised of four Common Pleas Court Judges, one Domestic Relations Court Judge, one Juvenile Court Judge, one Probate Court Judge and two Court of Appeals Judges.

Lake County provides a myriad of services to its approximately 230,000 residents. The County offers a wide range of human and social services, health and community assistance services, law enforcement services, road and building maintenance services as well as other general and administrative support services. Additionally, Lake County operates a water distribution, a wastewater collection system, a solid waste disposal system and a solid waste-recycling program.

REPORTING ENTITY

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Lake County, this includes the Children's Services Board, the Developmental Disabilities Board, the Alcohol, Drug Addiction and Mental Health Services Board, and all departments and activities that are directly operated by the elected County officials.

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

Discretely Presented Component Units

The component unit columns in the financial statements identify the financial data of the County's component units, Deep wood Industries, Inc. and the Lake Development Authority. They are reported separately to emphasize that they are legally separate from the County.

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

NOTE A – DESCRIPTION OF LAKE COUNTY (CONTINUED)

REPORTING ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

DEEPWOOD INDUSTRIES, INC. (The Employment Program)

Deepwood Industries, Inc. is a legally separate, not-for-profit corporation, served by a self-appointing board of trustees. The Employment Program, under a contractual agreement with the Lake County Developmental Disabilities Board (the DD Board), provides a comprehensive program of services, including employment, for developmentally disabled citizens of Lake County. The DD Board provides the Employment Program with expenses and personnel for operation of the Employment Program, including staff salaries and benefits, equipment and other support services necessary for the implementation of the programs offered by the Employment Program. The Employment Program cannot issue bonded debt or levy taxes and, thus, is not fiscally independent. Since the Employment Program is fiscally dependent on the County and since the Employment Program provides services to other agencies in addition to the County government, Deepwood Industries, Inc. is reflected as a component unit of Lake County. Separately issued financial statements can be obtained from Deepwood Industries, Inc., 8121 Deepwood Blvd., Mentor, OH 44060.

LAKE DEVELOPMENT AUTHORITY (the Development Authority)

The Lake Development Authority was established by the Board of the Lake County Commissioners in 2007 as a body corporate and politic for the purpose of promoting projects that will provide for the creation of jobs and employment opportunities and improve the economic welfare of the people residing in Lake County, as well as to encourage projects to enhance, foster, aid, provide or promote transportation, economic development, housing, recreation, education, governmental operations, culture or research within the territory served by the Development Authority. The Development Authority is governed by a seven-member Board of Directors, each of whom is appointed by the Board of County Commissioners. The Board of County Commissioners can remove any appointed member of the Board of Directors and can also dissolve the Development Authority upon adoption of a resolution. As a result, the Development Authority is reflected as a component unit of Lake County. Separately issued financial statements can be obtained from the Lake County Ohio Development Authority, 105 Main Street, Suite B501, Painesville, OH 44077.

Information in the following notes to the basic financial statements is applicable to the primary government. When information is provided relative to the component unit, it is specifically identified.

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

NOTE A – DESCRIPTION OF LAKE COUNTY (CONTINUED)

REPORTING ENTITY (CONTINUED)

The County Treasurer, as the custodian of public funds, invests all public monies held on deposit in the County treasury. In the case of the Lake County General Health District and the Lake County Soil and Water Conservation District, the County serves as fiscal agent but is not financially accountable for their operations. Accordingly, the activity of these agencies are presented as custodial funds within the basic financial statements.

Related Organizations

The following entities are considered related organizations to the reporting entity. This decision was based on the fact that although the Board of Commissioners or County Probate Judge appoints the majority of the board members of each of these entities, the County is not fiscally accountable for any of these organizations. The Board of County Commissioners or County Probate Judge cannot impose its will on any of these entities in any manner, nor does there exist any financial benefit or burden relationship between any of these entities and the County. The entities that were determined to be related organizations are:

LAKE METROPARKS

The three Park District Commissioners are appointed by the Probate Judge of the County. The District hires and fires staff, and does not rely on the County to finance deficits. The County is not financially accountable for the District nor is the District financially dependent on the County. The District serves as its own taxing and debt issuance authority and does not receive any funding from the County.

LAKELAND COMMUNITY COLLEGE

Lakeland Community College is designated as a distinct political subdivision and corporate body that provides higher education opportunities to the residents of Lake County. No financial relationship exists between the County and the College. Although the Board of County Commissioners appoints the majority of Lakeland's board members, the College has complete control of its fiscal officers and operations.

LAKETRAN

Laketran provides bus transportation services to the residents of Lake County. Laketrans is a distinct political subdivision of the State and a separate corporate body. Although all board members are appointed by the Board of County Commissioners, the Laketrans Board has the separate governing authority to levy and collect taxes, adopt its own budget, issue bonds and control its own operations.

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

NOTE A – DESCRIPTION OF LAKE COUNTY (CONTINUED)

REPORTING ENTITY (CONTINUED)

LAKE COUNTY LIBRARY DISTRICT

The Morley Library provides library services to residents living in the City of Painesville, Grand River Village, a portion of Concord Township, Leroy Township and Painesville Township. Although the Board of County Commissioners appoints a majority of the Library District's board members, the County cannot impose its will on the Library District nor is there a financial benefit received by, or burden placed on, the County with respect to the Library District.

Jointly Governed Organizations

The County is a participant in the following Jointly Governed Organizations:

NORTHEAST OHIO COMMUNITY ALTERNATIVE PROGRAM FACILITY (NEOCAP)

The Northeast Ohio Community Alternative Program Facility is a community-based corrections facility that provides residents of the facility educational, vocational, substance abuse and support counseling services. The facility is administered by a judicial corrections board consisting of seven common pleas court judges. The members consist of two judges each from Trumbull and Lake Counties, and one judge each from Ashtabula, Geauga, and Portage Counties. The Board adopts its own budget, authorizes expenditures, and hires and fires its own staff. Funding is provided by the State of Ohio. Financial statements can be obtained from Northeast Ohio Community Alternative Program Facility at 411 Pine Avenue SE, Warren, OH 44483.

NORTHEAST OHIO NETWORK (NEON)

NEON is a council of governments formed to provide a regional effort in administering, managing, and operating programs for certain individuals with developmental disabilities. Participating counties include Geauga, Ashland, Ashtabula, Cuyahoga, Columbiana, Lorain, Lake, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull and Wayne Counties. NEON's operation is controlled by their Board, which is comprised of the superintendents of the Board of Developmental Disabilities of each participating county. NEON adopts its own budget, authorizes expenditures and hires and fires its own staff. During 2024, NEON received sufficient revenues from State grant monies and no additional funds were needed from Lake County. Financial statements can be obtained from North East Ohio Network at 5121 Mahoning Ave, Suite 103, Austintown, OH 44515.

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

NOTE A – DESCRIPTION OF LAKE COUNTY (CONTINUED)

Jointly Governed Organizations (Continued)

NORTHEAST OHIO AREAWIDE COORDINATING AGENCY (NOACA)

Northeast Ohio Areawide Coordinating Agency (NOACA) was created by the County Commissioners of Cuyahoga, Geauga, Lake, Lorain and Medina Counties and is responsible for transportation and environmental planning in the five-county region. NOACA is controlled by 37 members including the three County Commissioners. The board exercises total control over the operation of the corporation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. In 2024, the County did not contribute to NOACA. Financial statements can be obtained from Northeast Ohio Areawide Coordinating Agency at 1299 Superior Avenue, Cleveland, OH 44114.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The most significant of the County's accounting policies are described below.

BASIS OF PRESENTATION

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

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

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements

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

FUND ACCOUNTING

The County, the Employment Program and the Development Authority use funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain County functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. For financial statement presentation purposes, the various funds of the County are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND ACCOUNTING (CONTINUED)

Governmental Funds (Continued):

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.

Board of Developmental Disabilities: The developmental disabilities board fund accounts for the operation of a school and resident homes for the developmentally disabled. Revenue sources include a county-wide property tax levy and federal and state grants.

Board of Alcohol, Drug Addiction and Mental Health Services: The mental health board fund accounts for federal and state grants and county-wide property tax levies that are expended primarily to pay the costs of contracts with local mental health agencies that provide services to the public at large.

American Rescue Plan Act: The American rescue plan act fund accounts for federal grants that are expended to support urgent COVID-19 response efforts, replace lost revenue, support immediate economic stabilization, and to address systemic public health and economic challenges.

Public Safety Capital Projects: The public safety capital projects fund accounts for the resources for the acquisition, construction, or improvement of the public safety center for the entity.

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

Proprietary Funds:

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

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

Water: The County provides water to residential, commercial, and industrial customers. Revenue generated through user charges is used for operation, maintenance and capital improvements of the water distribution system.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND ACCOUNTING (CONTINUED)

Proprietary Funds (Continued)

Wastewater: The County provides sanitary sewer service to residential, commercial and industrial customers. Wastewater charges are based on water usage or fixed fees and serve as the major revenue source for financing the operations and maintenance of the wastewater system.

Solid Waste: This fund is used to account for the financial operations of the County's solid waste removal and landfill activities. Revenues are generated primarily from user tipping fees.

Internal Service Funds: Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's Internal Service Funds are the Central Purchasing, Mailroom and Garage funds, each of which account for the activities of those departments who provide those respective services to other County departments. In addition, the Prescription Self-Insurance, Dental Self-Insurance and Hospitalization Self-Insurance funds account for the prescription, dental and hospitalization benefits programs offered by the County, which are self-insured.

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The County does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The County's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the County as fiscal agent for the Lake County General Health District and the Lake County Soil and Water Conservation District 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 various fines and fees collected and distributed through the courts for the benefit of others.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS

Government-wide Financial Statements:

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

Fund Financial Statements

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

Like the government-wide statements, all proprietary and fiduciary fund types are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust funds, and custodial funds.

The Employment Program has adopted Financial Accounting Standard Board Statement of Accounting Standards (FAS) No. 117 (Financial Statements of Not-for-Profit Organizations) for presentation of its financial statements. As such, the financial statements are presented on the basis of unrestricted and restricted net position.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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; proprietary and fiduciary funds, the Employment Program and the Development Authority also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the sale occurs. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note L). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from 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, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes) and fees.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources include a deferred charge on refunding, pension and OPEB reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes J and K. In addition to liabilities, the statements of net position and balance sheets report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, unavailable revenue, pension and OPEB. 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 on both the government-wide statement of net position and the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB are reported on the statements of net position (see Notes J and K). Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the County unavailable revenue includes delinquent property taxes, special assessments, intergovernmental grants, State assistance receipts and other receivables collected outside of the available period. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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.

The Employment Program and the Development Authority each allocates their expenses on a functional basis among its various programs and support services. Expenses and support services that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs are allocated based on estimates established by each entity.

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 resolutions, 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 may appropriate.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETARY PROCESS (CONTINUED)

The appropriations resolution is the Commissioner's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Commissioners. The legal level of control is at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Commissioners. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2024. The appropriation 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 Commissioners during the year.

Tax Budget

A budget of estimated revenues and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 15 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission reviews estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs either to be increased or decreased. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during 2024.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETARY PROCESS (CONTINUED)

Appropriations

A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, program, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations among departments and objects within a fund may be modified during the year only by a resolution of the County Commissioners. Several supplemental appropriation resolutions were legally enacted by the County Commissioners during the year. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Budgeted Level of Expenditures

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for the purposes other than those designated in the appropriation resolution without authority from the County Commissioners. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not reappropriated.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end within the general fund are reported as assigned fund balance for subsequent-year expenditures of the fund.

Budgetary information for the Employment Program and the Development Authority is not reported because neither of the component units are included in the entity for which the “appropriated budget” is adopted and neither adopt a separate budget.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

POOLED CASH AND CASH EQUIVALENTS

The County Treasurer invests all active County funds. Active County funds are invested in federal agency obligations, treasury and corporate notes, and municipal bonds. Inactive funds are invested in certificates of deposit and the State Treasurer's Investment Pool. The County pools its cash for investment purposes to capture the highest return. Investment income is distributed to various funds based upon their average daily cash balances. Investments are reported at fair value, which is based on quoted market prices. Interest income earned in the General Fund in 2024 totaled \$33,193,123, which includes \$30,803,218 assigned from funds other than the General Fund. For purposes of reporting cash flows, cash and cash equivalents include all cash items, investments and deposits which can readily be converted into cash. Certificates of deposit are included regardless of initial maturity as they meet the criteria for ready conversion.

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 their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

INVENTORY OF SUPPLIES

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

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

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTERFUND RECEIVABLES

Non-current portions of long-term interfund loan receivables are reported as interfund receivables and are offset by a nonspendable fund balance. Nonspendable fund balance includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

PREPAID ITEMS

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

INTERFUND BALANCES

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “due to/from other funds”. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

CAPITAL ASSETS

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County’s infrastructure consists of roads, bridges, and culverts. Water and sanitary sewers and the associated operation facilities, as well as the County’s landfill facilities are reported as utility plant in service. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated or amortized except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County’s historical records of necessary improvements and replacement.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS (CONTINUED)

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20 Years	20 Years
Buildings and other Structures	20-45 Years	20-45 Years
Furniture, Fixtures and Equipment	3-20 Years	3-20 Years
Infrastructure	30-65 Years	30-65 Years

The County is reporting an intangible right to use asset related to leased buildings and subscription-based information technology arrangements (SBITAs). This intangible asset is being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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 and judgments, compensated absences, net pension liability, net OPEB liability and special termination benefits are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and capital leases are recognized as a liability in the fund financial statements when due.

COMPENSATED ABSENCES

The County recognizes a liability for compensated absences for leave 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 during or upon separation from employment. The liability is 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 benefits, which are eligible for payments at the employee's current pay rate upon separation from employment.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES (CONTINUED)

Sick - The County's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employment of the County and, upon separation from service, no monetary obligation exists. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the County's termination policy.

FUND BALANCE

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the County Commissioners, which may be expressed by a motion but need not be passed by formal action, such as a resolution.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE (CONTINUED)

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

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

The County has a General Fund budget stabilization arrangement classified as committed. The County established a budget stabilization by resolution to provide options to stabilize against cyclical changes in revenues and expenditures. The balance in the reserve at December 31, 2024 is \$11,042,400.

NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include, among others, funds for the operation of a school; resident homes for the developmentally disabled; the medical, financial and social support to general relief recipients; the support and placement of children; County road and bridge repair/improvement programs; various judicial and public safety programs and other grant funds.

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

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 providing water service, providing wastewater treatment service, utilization of the County landfill, fees for services provided by internal service departments to other departments, and self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting these definitions are classified as nonoperating.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTERFUND TRANSACTIONS

Transfers between governmental and business-type activities on the government-wide 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 after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

BOND PREMIUM

On the government-wide financial statements and the statement of fund net position of the proprietary funds, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On fund statements, bond premiums are receipted in the year the bonds are issued.

PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net pension liability/OPEB, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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 systems. 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 systems report investments at fair value.

ESTIMATES

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

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

NOTE C – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

Change in Accounting Principles

During the year, the County implemented the following Governmental Accounting Standards Board (GASB) Statements and Implementation Guides:

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. These changes were incorporated in the City's financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Statement No. 100, Accounting Change and Error Corrections – an Amendment of GASB Statement No. 62. GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The implementation of the GASB pronouncement did not have any impact on beginning net position or fund balance.

GASB Statement No. 101, Compensated Absences The objective of this Statement 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. The implementation of the GASB pronouncement did not have any impact on beginning net position or fund balance.

Restatement of Net Position

The County re-evaluated all capital assets and did a physical observation of all assets. It had the following effect on Net Position.

	Governmental Activities	Business Type Activities	
Net Position December 31, 2023	\$ 421,633,503	\$ 273,389,457	
Adjustments:			
Accounting Adjustments - Capital Assets, net	106,932,998	(24,730,221)	
Restated Net Position December 31, 2023	<u>\$ 528,566,501</u>	<u>\$ 248,659,236</u>	
	Water	Sewer	Solid Waste
Net Position December 31, 2023	\$ 111,486,368	\$ 143,570,916	\$ 18,332,173
Adjustments:			
Accounting Adjustments - Capital Assets, net	(12,523,260)	(8,737,215)	(3,469,746)
Restated Net Position December 31, 2023	<u>\$ 98,963,108</u>	<u>\$ 134,833,701</u>	<u>\$ 14,862,427</u>

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

NOTE D – BUDGETARY BASIS OF ACCOUNTING

While the County is 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, disbursements and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) are presented in the basic financial statements for the General Fund and Major Special Revenue Funds. The major differences between the budget basis and the GAAP basis are:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Advances in and out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
- (d) Outstanding year end encumbrances are treated as expenditures (budget basis) rather than part of restricted, committed and assigned fund balances (GAAP basis) for governmental funds.
- (e) *Certain funds have legally separate adopted budgets (budget) but are included in the General Fund (GAAP).
- (f) *As part of Governmental Accounting Standards Board No. 54 “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis. This included the Certificate of Title Administration special revenue fund.

Net Change in Fund Balance
General and Major Special Revenue Funds

	General	MRDD Board	ADAMHS Board	American Rescue Plan Act
GAAP Basis	\$ 16,808,144	\$ 2,019,546	\$ (1,195,859)	\$ -
Net Adjustment for Revenue Accruals	(18,315,333)	(58,508)	1,296,989	(15,021,859)
Beginning Fair Value Adjustment	4,120,255	-	-	-
Ending Fair Value Adjustment	(1,224,979)	-	-	-
Beginning Custodial Fund Adjustment	(9,446,981)	-	-	-
Ending Custodial Fund Adjustment	9,230,810	-	-	-
Net Adjustment for Expenditure Accruals	(1,762,805)	(800,891)	290,462	(426,058)
Adjustment for Funds Budgeted as Special Revenue	3,547,667	-	-	-
Adjustment for Encumbrances	(4,393,986)	(583,429)	(1,531,057)	(7,780,403)
Budget Basis	<u>\$ (1,437,208)</u>	<u>\$ 576,718</u>	<u>\$ (1,139,465)</u>	<u>\$ (23,228,320)</u>

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

NOTE E – DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT

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

Active monies are public deposits necessary to meet the demands on the treasury. Such monies must be maintained either as cash by the County, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Interim deposits are deposits of interim monies. Interim monies are those which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, 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;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;

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

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

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) and repurchase agreements secured by such obligations.
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by certificate, upon receipt of confirmation of transfer from the custodian.

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the County's name.

DEPOSITS

Custodial Credit Risk

At December 31, 2024, the carrying amount of the County's deposits was \$77,675,336. Based on the criteria described in GASB 40, "Deposits and Investment Risk Disclosures", as of December 31, 2024, \$82,099,337 of the County's bank balance of \$82,849,337 was exposed to custodial risk as discussed below, while \$750,000 was covered by the Federal Deposit Insurance Corporation (FDIC). Although all State statutory requirements for the deposit of money had been followed, non-compliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

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

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

DEPOSITS (CONTINUED)

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in possession of an outside party. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by (1) eligible securities pledged to the County and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State. For 2024, the County's financial institutions were approved for a collateral rate of 102% through the OPCS.

Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

INVESTMENTS

As of December 31, 2024, the County had \$249,732,892 invested in STAR Ohio. The County's investments are valued using quoted market prices (level 1 inputs).

Investments are reported at fair value. As of December 31, 2024, the County had the following investments:

Investment Type	Investment Maturities			Total
	Less than Six Months	More Than Six Months But Less Than One Year	More Than One Year But Less Than Three Years	
Treasury and Corporate Note	\$ 35,584,525	\$ 2,490,925	\$ 121,091,418	\$ 159,166,868
Federal Farm Credit Bank Bonds	-	3,899,720	19,403,430	23,303,150
Federal Home Loan Bank	3,458,945	6,602,968	20,431,013	30,492,926
Federal Home Loan Mortgage Corporation	-	1,937,600	1,685,394	3,622,994
Federal National Mortgage Association	-	10,635,097	-	10,635,097
Municipal & Ohio Entities	-	23,523,344	27,274,279	50,797,623
STAROhio	249,732,892	-	-	249,732,892
Total Portfolio	<u>\$ 288,776,362</u>	<u>\$ 49,089,654</u>	<u>\$ 189,885,534</u>	<u>\$ 527,751,550</u>

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

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Interest Rate Risk

As a means of limiting its exposure to fair value losses caused by rising interest rates, the County's investment policy requires that operating funds be invested primarily within five years from the date of purchase and that the County's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of this policy is to avoid the need to sell securities prior to maturity.

Credit Risk

The Federal Home Loan Bank Notes, the Federal Farm Credit Bank Bonds and the Municipal and Commercial Paper carry a rating of AAA by Standard & Poor's and STAR Ohio also carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The County has no investment policy that would further limit its investment choices.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Notes, the Federal Farm Credit Bank, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Corporate Note and the Municipal Paper are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the County's name. The County has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

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

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The County places no limit on the amount it may invest in any one issuer. The following is the County's allocation as of December 31, 2024:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
Treasury Note	\$ 130,145,761	24.7%
Corporate Note	29,021,106	5.5%
Federal Farm Credit Bank Bonds	23,303,150	4.4%
Federal Home Loan Bank	30,492,926	5.8%
Federal Home Loan Mortgage Corporation	3,622,994	0.7%
Federal National Mortgage Association	10,635,097	2.0%
Municipal & Ohio Entities	50,797,623	9.6%
STAROhio	249,732,892	47.3%
Total Investments	<u>\$ 527,751,549</u>	<u>100.0%</u>

COMPONENT UNITS

At December 31, 2024, the carrying amount of Deepwood Industries, Inc. Employment Program's deposits was \$993,101. Based on the criteria described in GASB Statement No. 40 "Deposits and Investments Risk Disclosures", as of December 31, 2024, none of the Employment Program's bank balance of \$129,092 was exposed to custodial risk, meaning the full amount of the balance was covered by the Federal Depository Insurance Corporation. There are no statutory guidelines regarding the deposit and investment of funds by the not-for-profit corporation.

At December 31, 2024, the carrying amount of all Development Authority deposits was \$1,236,223 and the bank balance of all Authority deposits was \$1,585,977. \$500,000 of the bank balance was covered by Federal Deposit Insurance Corporation (FDIC) and \$1,085,977 was potentially exposed to custodial credit risk as discussed below.

As of December 31, 2024, the Development Authority had \$1,294,705 invested in STAR Ohio. The Development Authority's investments are valued using quoted market prices (level 1 inputs).

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

NOTE F – CAPITAL ASSETS

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

	Restated Balance 01/01/2024	Additions	Deletions	Balance 12/31/2024
Governmental Activities				
<i>Capital Assets Not Being Depreciated/Amortized:</i>				
Land	\$ 5,554,011	\$ -	\$ -	\$ 5,554,011
Construction in Progress	47,061,560	5,853,420	(39,466,283)	13,448,697
<i>Total Capital Assets Not Being Depreciated/Amortized</i>	<u>52,615,571</u>	<u>5,853,420</u>	<u>(39,466,283)</u>	<u>19,002,708</u>
<i>Capital Assets, Being Depreciated/Amortized:</i>				
Land Improvements	3,091,416	-	-	3,091,416
Buildings & Other Structures	153,999,247	36,808,804	(20,471)	190,787,580
Intangible Right-to-use Lease - Buildings	4,549,848	296,941	-	4,846,789
Intangible Right-to-use Subscription	3,012,779	-	-	3,012,779
Furniture, Fixtures & Equipment	49,577,639	4,670,995	(1,291,156)	52,957,478
Infrastructure	212,561,923	7,296,414	-	219,858,337
<i>Total Capital Assets, Being Depreciated/Amortized</i>	<u>426,792,852</u>	<u>49,073,154</u>	<u>(1,311,627)</u>	<u>474,554,379</u>
<i>Less Accumulated Depreciation/Amortization:</i>				
Land Improvements	(609,688)	(39,831)	-	(649,519)
Buildings & Other Structures	(65,255,597)	(3,665,272)	20,471	(68,900,398)
Intangible Right-to-use Lease - Buildings	(1,097,888)	(567,103)	-	(1,664,991)
Intangible Right-to-use Subscription	(350,334)	(507,911)	-	(858,245)
Furniture, Fixtures & Equipment	(34,226,156)	(2,609,747)	1,291,156	(35,544,747)
Infrastructure	(81,306,200)	(6,676,386)	-	(87,982,586)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(182,845,863)</u>	<u>(14,066,250) *</u>	<u>1,311,627</u>	<u>(195,600,486)</u>
<i>Total Capital Assets Being Depreciated/Amortized, Net</i>	<u>243,946,989</u>	<u>35,006,904</u>	<u>-</u>	<u>278,953,893</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$ 296,562,560</u>	<u>\$ 40,860,324</u>	<u>\$ (39,466,283)</u>	<u>\$ 297,956,601</u>

* Depreciation/Amortization expense was charged to governmental functions as follows:

General Government	\$ 2,120,657
Judicial and Public Safety	2,934,813
Public Works	7,605,054
Human Services	1,264,443
Health	141,283
Total	<u>\$ 14,066,250</u>

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

NOTE F – CAPITAL ASSETS (CONTINUED)

Business-type capital asset activity for the year ended December 31, 2024, was as follows:

	Restated Balance 01/01/2024	Additions	Reductions	Balance 12/31/2024
Business-Type Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 3,709,686	\$ -	\$ -	\$ 3,709,686
Construction in Progress	45,815,340	16,456,966	(24,913,214)	37,359,092
<i>Total Capital Assets Not Being Depreciated</i>	49,525,026	16,456,966	(24,913,214)	41,068,778
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	1,671,765	-	-	1,671,765
Utility Plant in Service	474,665,454	27,185,064	-	501,850,518
Furniture, Fixtures and Equipment	10,730,248	482,809	(125,948)	11,087,109
<i>Total Capital Assets, Being Depreciated</i>	487,067,467	27,667,873	(125,948)	514,609,392
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(459,392)	(6,916)	-	(466,308)
Utility Plant in Service	(291,983,935)	(10,207,386)	-	(302,191,321)
Furniture, Fixtures and Equipment	(8,669,395)	(367,150)	125,948	(8,910,597)
<i>Total Accumulated Depreciation</i>	(301,112,722)	(10,581,452)	125,948	(311,568,226)
<i>Total Capital Assets Being Depreciated, Net</i>	185,954,745	17,086,421	-	203,041,166
<i>Total Business-Type Capital Assets, Net</i>	<u>\$ 235,479,771</u>	<u>\$ 33,543,387</u>	<u>\$ (24,913,214)</u>	<u>\$ 244,109,944</u>

NOTE G – INTERFUND TRANSACTIONS

Due to/from other funds and interfund payables and receivables balances at December 31, 2024, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occurred, (2) transactions are recorded in the accounting records, and (3) payments between funds are made.

	Due From	Due To
Governmental Funds:		
General Fund	\$47,376	\$47,109
Other Nonmajor Governmental Funds	34,643	33,885
<i>Total Governmental Funds</i>	82,019	80,994
Proprietary Funds:		
Water	8,037	8,723
Wastewater	2,067	1,637
Solid Waste	758	147
Internal Service Funds	49,052	50,432
<i>Total Proprietary Funds</i>	59,914	60,939
Total	<u>\$141,933</u>	<u>\$141,933</u>

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

NOTE H – LONG-TERM DEBT

The issue date, interest rates and issuance amount for each of the County's bonds and loans follows:

	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Original Interest Rate</u>	<u>Original Issue Amount</u>
<i>Governmental Activities:</i>				
General Obligation Bonds:				
County Building Improvement & Refunding	2013	2025	1.25% - 3.50%	\$9,435,000
Dog Shelter Renovation Refunding	2021	2032	1.63%	952,000
County Correctional Facilities Bonds	2024	2052	5.00%-5.25%	65,000,000
Special Assessment Bonds:				
Windpoint Reserve, McMackin, South Ridge, Shepard, Baldwin, Althea, Dormae Roads 242S, 243W, 248W 249W, 250W, 251W, 253W	2004	2024	2.00% - 5.35%	1,610,000
Mount Royal, Spring Lake, Spring Lake Loop 241W, 246W, 265W	2005	2025	3.50% - 5.00%	670,000
Route 20 East of Lane, Perry Village, Ashview, Meadow Wood, Perry Park Road 244S, 258S, 274S, 262W, 300W	2009	2029	2.00% - 5.25%	1,857,000
Maple Street 291S	2009	2029	2.00% - 5.25%	540,000
Kirtland Sanitary Sewer	2013	2042	2.00% - 3.75%	3,538,451
OPWC Loans:				
CG71M - Mill-Moor Drive, Ravenna Road	2010	2025	0.00%	218,009
CG34L - River Road Safety Improvement Phase II	2010	2030	0.00%	588,000
CG22P - Blasé' Nemeth Widening	2013	2029	0.00%	8,327
CG05P - Vrooman Road, State Route 86	2013	2029	0.00%	82,048
CG13T - Auburn and Hardy Roads	2018	2032	0.00%	11,896
CG06U - Hoose Road/Andrea Bridge Improvements	2019	2033	0.00%	150,000
CG14R - Vrooman Road Bridge Improvements	2023	2043	0.00%	1,500,000

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

NOTE H – LONG-TERM DEBT (CONTINUED)

	<u>Date</u>	<u>Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>
<i>Business-Type Activities:</i>				
General Obligation Bonds:				
Kirtland Sanitary Sewer 284S	2012	2042	2.00% - 3.75%	1,896,549
OWDA Loans				
Madison Township WWTP Expansion	2015	2039	2.74% - 3.24%	12,442,917
City of Willoughby Hills	2006	2025	3.03%	488,959
Aquarius Water Treatment Plant	2018	2038	3.00%	557,419
Red Creek Sanitary Sewer Improvements	2024	2054	0.00%	389,709
Madison Wastewater Treatment Plant	2024	2054	0.00%	3,768,857
OPWC Loans				
CG17K - Mentor Headlands San Sewer Replacement	2010	2029	0.00%	142,683
CG02M - Dundee Glasgow & Kelso Sewer	2011	2041	0.00%	8,402
CG38O - Bellflower Area Outlet Sewer Replace	2013	2033	0.00%	50,000
CG10P - Glyco Forcemain Replacement	2015	2036	0.00%	50,000
CG46O - Cedar Park Woodland Sewer Phase II	2016	2036	0.00%	249,970
CG11K - Hubbard Road Waterline	2012	2032	0.00%	49,550
CG37P - Lakeshore Boulevard Waterline	2015	2036	0.00%	235,000
CG02O - Johnny Cake Ridge Road Waterline	2016	2037	0.00%	98,381
CG40T - Nan Linn Road Waterline Project	2017	2037	0.00%	118,475
CG26R - Mentor Marsh Sanitary Interceptor Project	2018	2038	0.00%	50,000
CG52T - Deerfield Relief Sewer	2018	2038	0.00%	15,756
CG37U - Strawberry Lane Waterline Replacement	2018	2038	0.00%	37,216
CG30U - Prouty & Glyco Rehab Project	2019	2039	0.00%	150,000
CG28W - Erie Street & Waterline Replacement	2020	2040	0.00%	150,000
CG34V - Mantle Road Waterline	2022	2042	0.00%	150,000
CG50Y - Lakeshore Truck Sewer	2022	2042	0.00%	167,000
CG05Z - Trunk Sewer Rehabilitation Phase II	2024	2044	0.00%	150,000
CG40Y - Bellflower Area Sanitary Sewer Improvement	2023	2043	0.00%	150,000
CG63AB - Vine Street Waterline Replacement Phase III	2024	2045	0.00%	450,000

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

NOTE H – LONG-TERM DEBT (CONTINUED)

Changes in long-term obligations during the year ended December 31, 2024 consist of the following:

	Balance 12/31/23	Additions	Deductions	Balance 12/30/24	Due in One Year
<i>Governmental Activities:</i>					
<i>General Obligation Bonds:</i>					
County Building Improvement & Refunding-2013	\$ 2,260,000	\$ -	\$ (1,110,000)	\$ 1,150,000	\$ 1,150,000
Dog Shelter Renovation Refunding	789,000	-	(81,000)	708,000	84,000
County Correctional Facilities Bond	-	65,000,000	-	65,000,000	570,000
<i>Total General Obligation Bonds- Unvoted</i>	<u>3,049,000</u>	<u>65,000,000</u>	<u>(1,191,000)</u>	<u>66,858,000</u>	<u>1,804,000</u>
<i>Special Assessment Bonds:</i>					
Windpoint Reserve, McMackin, South Ridge, Shepard, Baldwin, Althea, Dormae Roads	120,000	-	(120,000)	-	-
Mount Royal, Spring Lake, Spring Lake Loop	95,000	-	(45,000)	50,000	50,000
Route 20 East of Lane, Perry Village, Ashview, Meadow Wood, Perry Park	630,000	-	(115,000)	515,000	120,000
Maple Street	215,000	-	(30,000)	185,000	35,000
Kirtland Sanitary Sewer	2,636,749	-	(100,913)	2,535,836	104,168
<i>Total Special Assessment Bonds:</i>	<u>3,696,749</u>	<u>-</u>	<u>(410,913)</u>	<u>3,285,836</u>	<u>309,168</u>
<i>Other Long-Term Obligations:</i>					
OPWC-Mill-Morr Drive, Ravenna Road	14,533	-	(14,533)	-	-
OPWC-River Road Safety Improvement	176,400	-	(29,400)	147,000	29,400
OPWC-Blasé Nemeth Widening	2,499	-	(555)	1,944	555
OPWC-Vrooman Road-State Route 86	27,348	-	(5,470)	21,878	5,470
OPWC-Auburn and Hardy Roads	7,139	-	(793)	6,346	793
OPWC-Hoose Road/Andrea Bridge Improvements	75,000	-	(15,000)	60,000	15,000
OPWC-Vrooman Road Bridge Improvements	1,462,500	-	(75,000)	1,387,500	75,000
Unamortized Premium on Debt Issues	134,810	4,560,241	(106,928)	4,588,123	-
Leases	3,487,330	296,941	(556,283)	3,227,988	580,384
Subscriptions Payable	2,476,467	-	(479,400)	1,997,067	491,697
Compensated Absences	11,467,412	544,391	-	12,011,803	839,848
<i>Total Other Long-Term Obligations</i>	<u>19,331,438</u>	<u>5,401,573</u>	<u>(1,283,362)</u>	<u>23,449,649</u>	<u>2,038,147</u>
<i>Total Before Net Pension & OPEB Liabilities</i>	<u>26,077,187</u>	<u>70,401,573</u>	<u>(2,885,275)</u>	<u>93,593,485</u>	<u>4,151,315</u>
<i>Net Pension Liability:</i>					
OPERS	151,565,042	-	(25,721,528)	125,843,514	-
STRS	1,236,589	-	(169,612)	1,066,977	-
<i>Total Net Pension Liability</i>	<u>152,801,631</u>	<u>-</u>	<u>(25,891,140)</u>	<u>126,910,491</u>	<u>-</u>
<i>Net OPEB Liability:</i>					
OPERS	2,963,147	-	(2,963,147)	-	-
<i>Total Governmental Long-Term Obligations</i>	<u>\$ 181,841,965</u>	<u>\$ 70,401,573</u>	<u>\$ (31,739,562)</u>	<u>\$ 220,503,976</u>	<u>\$ 4,151,315</u>

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

NOTE H – LONG-TERM DEBT (CONTINUED)

	Balance 12/31/23	Additions	Deductions	Balance 12/30/24	Due in One Year
<i>Business-Type Activities:</i>					
<i>Self Supporting General Obligation Bonds Payable from Enterprise Funds</i>					
<u><i>G.O. Bonds Payable from Wastewater Revenues</i></u>					
Kirtland Sanitary Sewer 284S	\$ 1,413,251	\$ -	\$ (54,087)	\$ 1,359,164	\$ 55,832
<i>Total G.O. Bonds Payable from Wastewater</i>	<u>1,413,251</u>	<u>-</u>	<u>(54,087)</u>	<u>1,359,164</u>	<u>55,832</u>
<u><i>OWDA Loan Payable from Wastewater Revenues</i></u>					
Madison Township WWTP Expansion	10,329,209	-	(543,059)	9,786,150	558,041
Red Creek Sanitary Improvements		389,709	(50,000)	339,709	-
Arcola Creek/Bennet Road Sanitary Sewer Improvements	-	3,768,857	-	3,768,857	-
<i>Total OWDA Loan Payable from Wastewater</i>	<u>10,329,209</u>	<u>4,158,566</u>	<u>(593,059)</u>	<u>13,894,716</u>	<u>558,041</u>
<u><i>OWDA Loans Payable from Water Revenues</i></u>					
Aquarius Water Treatment Plant	422,246	-	(28,150)	394,096	28,150
<i>Total OWDA Loans Payable</i>	<u>10,751,455</u>	<u>4,158,566</u>	<u>(621,209)</u>	<u>14,288,812</u>	<u>586,191</u>
<i>Other Long-Term Liabilities:</i>					
<u><i>Payable from Wastewater</i></u>					
City of Willoughby Hills	32,214	-	(31,260)	954	954
OPWC - Mentor Headlands San Sewer Replacement	42,800	-	(7,136)	35,664	7,134
OPWC - Dundee Glasgow & Kelso Sewer	5,042	-	(280)	4,762	280
OPWC - Bellflower Area Outlet Sewer Replace	23,750	-	(2,500)	21,250	2,500
OPWC - Glyco Forcemain Replacement	31,250	-	(2,500)	28,750	2,500
OPWC - Cedar Park Woodland Sewer Phase II	162,479	-	(12,498)	149,981	12,498
OPWC - Mentor Marsh Sanitary Interceptor Replace.	37,500	-	(2,500)	35,000	2,500
OPWC - Deerfield Relief Sewer	120,000	-	(7,500)	112,500	7,500
OPWC - Prouty & Glyco Rehab	120,000	-	(7,500)	112,500	7,500
OPWC - Lakeshore Trunk Sewer	90,393	-	(2,379)	88,014	4,758
OPWC - Trunk Sewer Rehabilitation Phase II	117,687	14,811	(3,312)	129,186	3,312
OPWC - Bellflower Area Sanitary Sewer Improvement	90,341	-	(221)	90,120	444
<i>Total Other Long-Term Payable from Wastewater</i>	<u>873,456</u>	<u>14,811</u>	<u>(79,586)</u>	<u>808,681</u>	<u>51,880</u>
<u><i>Payable from Water</i></u>					
OPWC - Hubbard Road Waterline	22,297	-	(2,477)	19,820	2,477
OPWC - Lakeshore Boulevard Waterline	146,875	-	(11,750)	135,125	11,750
OPWC - Johnny Cake Ridge Road Waterline	66,407	-	(4,919)	61,488	4,919
OPWC - Nan Linn Road Waterline Project	82,934	-	(5,923)	77,011	5,923
OPWC - Strawberry Lane Waterline Replacement	27,914	-	(1,860)	26,054	1,860
OPWC - Erie Street Waterline & Pavement Replacement	123,750	-	(7,500)	116,250	7,500
OPWC - Mantle Road Waterline	138,750	-	(7,500)	131,250	7,500
OPWC - Vine Street Waterline Replacement	-	369,361	-	369,361	11,250
<i>Total Other Long-Term Payable from Water</i>	<u>608,927</u>	<u>369,361</u>	<u>(41,929)</u>	<u>936,359</u>	<u>53,179</u>
<i>Total Other Long-Term Obligations</i>	<u>1,482,383</u>	<u>384,172</u>	<u>(121,515)</u>	<u>1,745,040</u>	<u>105,059</u>
<i>Total G.O. Bonds, OWDA and OPWC Loans</i>	<u>13,647,089</u>	<u>4,542,738</u>	<u>(796,811)</u>	<u>17,393,016</u>	<u>747,082</u>
Notes Payable***	5,697,016	9,183,533	(5,724,452)	9,156,097	9,156,097
Landfill Closure and Postclosure Costs	18,882,720	679,778	-	19,562,498	-
Compensated Absences	1,969,652	237,656	-	2,207,308	154,972
<i>Total Before Net Pension Liability</i>	<u>40,196,477</u>	<u>14,643,705</u>	<u>(6,521,263)</u>	<u>48,318,919</u>	<u>10,058,151</u>
Net Pension Liability	21,268,437	-	(1,530,023)	19,738,414	-
Net OPEB Liability	415,805	-	(415,805)	-	-
<i>Total Net Pension & OPEB Liabilities</i>	<u>21,684,242</u>	<u>-</u>	<u>(1,945,828)</u>	<u>19,738,414</u>	<u>-</u>
<i>Total Business-Type Long-Term Obligations</i>	<u>\$ 61,880,719</u>	<u>\$ 14,643,705</u>	<u>\$ (8,467,091)</u>	<u>\$ 68,057,333</u>	<u>\$ 10,058,151</u>

***See Note I for detail on the long-term notes payable.

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

NOTE H – LONG-TERM DEBT (CONTINUED)

Principal and interest requirements to retire the County's long-term obligations outstanding at December 31, 2024 are as follows:

Governmental Activities

Year	General Obligation Bonds		Special Assessment Bonds		Other Long-Term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,804,000	\$ 3,901,017	\$ 309,168	\$ 127,640	126,218	\$ -
2026	1,286,000	3,226,921	267,423	113,787	126,218	-
2027	1,349,000	3,165,519	275,678	102,074	126,218	-
2028	1,386,000	3,126,269	293,934	89,863	125,940	-
2029	1,453,000	3,059,867	160,444	76,775	107,928	-
2030-2034	8,185,000	14,185,012	660,815	308,002	377,379	-
2035-2039	10,095,000	11,990,750	781,259	188,039	375,000	-
2040-2044	12,885,000	9,201,750	537,115	40,772	262,500	-
2045-2049	16,440,000	5,642,000	-	-	-	-
2050-2054	11,975,000	1,268,888	-	-	-	-
Total	<u>\$ 66,858,000</u>	<u>\$ 58,767,993</u>	<u>\$ 3,285,836</u>	<u>\$ 1,046,952</u>	<u>\$ 1,627,401</u>	<u>\$ -</u>

Business-Type Activities

Year	General Obligation Bonds		O.W.D.A Loans		Other Long-Term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 55,832	\$ 48,066	\$ 586,191	\$ 264,344	\$ 93,809	\$ -
2026	57,577	46,181	601,585	248,949	100,232	-
2027	59,322	44,238	617,405	233,129	100,232	-
2028	61,066	42,162	633,661	216,873	100,232	-
2029	64,556	40,025	650,366	200,168	100,232	-
2030-2034	354,185	165,083	3,518,982	733,690	456,786	-
2035-2039	418,742	100,786	3,572,056	241,271	324,727	-
2040-2044	287,884	21,853	-	-	99,429	-
Total	<u>\$ 1,359,164</u>	<u>\$ 508,394</u>	<u>\$ 10,180,246</u>	<u>\$ 2,138,424</u>	<u>\$ 1,375,679</u>	<u>\$ -</u>

Business-Type Activities

OWDA loans -Red Creek Sanitary Improvements and Arcola Creek/Bennet Road Sanitary Sewer Improvements projects are not complete and therefore loan amortization is not available as of December 31, 2024 and not included in the above schedules.

OPWC loan -Vine Street Waterline Replacement Phase III – project is not complete and therefore loan amortization is not available as of December 31, 2024 and not included in the above schedules.

As of December 31, 2024, the County had five active leases. The leases have payments that range from \$4,133 to \$440,004 and interest rates that range from 0.238 percent to 1.161 percent. As of December 31, 2024, the total combined value of the lease liability is \$3,227,988. The combined value of the right to use asset, as of December 31, 2024 of \$4,846,789 with accumulated amortization of \$1,664,991.

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

NOTE H – LONG-TERM DEBT (CONTINUED)

The following is a schedule of the future lease payments:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2025	\$ 580,384	\$ 32,374	\$ 612,758
2026	574,513	26,621	601,134
2027	491,633	20,986	512,619
2028	484,112	15,503	499,615
2029	443,367	10,319	453,686
2030 - 2031	653,979	6,027	660,006
	<u>\$ 3,227,988</u>	<u>\$ 111,830</u>	<u>\$ 3,339,818</u>

On April 19, 2023, the County entered into a 72-month subscription for the use of Dell - Enterprise Office365 License Subscription. The County is required to make annual fixed payments of \$525,312. The subscription has an interest rate of 2.3 percent. The County has one extension option each for 36 months.

On October 1, 2023, the County entered into a 36-month subscription for the use of Debtbook. The County is required to make annual fixed payments of \$11,000. The subscription has an interest rate of 3.631 percent.

An initial total subscription liability was recorded in the amount of \$3,012,779. As of December 31, 2024, the value of the subscription liability is \$1,997,067. The value of the right to use assets as of December 31, 2024 are \$3,012,779 with accumulated amortization of \$858,245.

The following is a schedule of the future lease payments:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2025	\$ 491,697	\$ 46,615	\$ 538,312
2026	490,297	35,015	525,312
2027	501,701	23,611	525,312
2028	513,372	11,941	525,313
	<u>\$ 1,997,067</u>	<u>\$ 117,182</u>	<u>\$ 2,114,249</u>

Unvoted general obligation bonds issued for governmental purposes of the County will be retired from the debt service fund using unvoted general property tax revenue. General obligation bonds issued for enterprise fund purposes will be retired from charges for services in the enterprise funds. Special assessment debt will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the County. Special assessment bonds are not included in capital assets, net of related debt for governmental activities since the debt is being used to pay for business-type capital assets.

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

NOTE H – LONG-TERM DEBT (CONTINUED)

In 2013, the County issued \$9,435,000 in general obligation bonds for a current refunding of \$9,160,000 in outstanding bonds of the 2005 County building improvement and refunding series. The refunding was undertaken to reduce future debt service payments. The current refunding in 2013, resulted in a decrease in the County's debt service payments in the amount of \$1,173,097. Proceeds of \$10,048,114 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. At December 31, 2024, \$1,945,000 of these bonds are considered defeased. Accordingly, the trust account assets and the liability for this defeased bond issue are not included in the County's financial statements. The County also incurred an economic gain (difference between the present value of the old debt and new debt service payments) of \$1,025,614 on this refunding.

In 2021, the County issued \$952,000 in County Building Improvement Refunding Bonds, Series 2021 for a refunding of \$920,000 in outstanding bonds of the 2007 dog shelter renovation bonds. The refunding was undertaken to reduce future debt service payments. Proceeds of \$924,217 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for this defeased bond issue are not included in the County's financial statements. The County also incurred an economic gain (difference between the present value of the old debt and new debt service payments) of \$155,875 on this refunding. These bonds have been called for final redemption.

In 2024, the County issued \$65,000,000 in County Correctional Facilities Bond with an interest rate of 5.00 – 5.25 percent with a final maturity of December 2052. The bond proceeds are for and will be repaid from the General fund.

Ohio Water Development Authority (OWDA) loans are direct obligations of the enterprise funds. Administration of principal and interest is managed directly by the Department of Utilities. The loans are secured by the assets to which they are related.

Other long-term obligations consist of an agreement with the City of Willoughby Hills whereby the County acquired various land and plant facilities from the City. In exchange, the County has agreed to pay directly to the City, when due, amounts sufficient to service the City's long-term debt funding requirements relating to the assets acquired. This obligation, amounting to \$954 as of the balance sheet date, is to be financed from wastewater revenues. The agreement further provides for the reconveyance of the assets and the responsibility for servicing the related indebtedness to the City in the event disposition of such by the County is desired or found necessary.

Additional other long-term obligations are interest-free loans from the Ohio Public Works Commission. Governmental activities for road repairs and Business-type activities, are for wastewater system improvements and for water system improvements.

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

NOTE H – LONG-TERM DEBT (CONTINUED)

For compensated absences, employees earn 15 days of sick leave per year. Upon retirement or resignation, employees with 10 years of service are compensated for unused sick leave based on the total number of hours accumulated and the County's conversion schedule. Vacation time is vested for employees after a minimum of one year of service. According to State law, vacation time may be accumulated up to 3 years. Unused vacation time, unpaid overtime and unused compensatory time are payable upon termination of employment. All sick, vacation and compensatory time payments are made at the employee's current wage rate.

The County has pledged future wastewater revenues to repay OWDA loans and OPWC loans. All of the debt is solely payable from net revenues and are payable through 2041. The total principal remaining to be paid on the wastewater debt is \$14,703,397. Principal and interest paid for the year for the wastewater debt was \$1,077,006, total net revenues were \$7,107,522 and total revenues were \$28,345,672.

The County has pledged future water revenues to repay OWDA and OPWC loans. All of the debt is solely payable from net revenues and are payable through 2039. The total principal remaining to be paid on the water debt is \$1,330,455. Principal paid for the year for the water debt was \$70,079, total net revenues were \$7,691,202 and total revenues were \$26,713,713.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. At December 31, 2024, the County had an unvoted debt margin of \$72.9 million and a direct debt margin of \$183.6 million.

NOTE I – NOTES PAYABLE

A summary of the short-term governmental note transactions for the year ended December 31, 2024 follows:

YEAR ISSUED	PURPOSE/ DESCRIPTION	FINAL MATURITY	INTEREST RATE	BALANCE JAN. 1, 2024	PRINCIPAL ISSUED IN 2024	PRINCIPAL RETIRED IN 2024	BALANCE DEC. 31, 2024
Governmental Activities:							
2023	Road Improvements	2024	4.00%	\$ 8,500,000	\$ -	\$ (8,500,000)	\$ -
2023	Premium on Note Issuances	n/a	n/a	34,085	-	(34,085)	-
2024	Road Improvements	2025	3.75%	-	7,750,000	-	7,750,000
2024	County Correctional Facilities	2025	4.00%	-	50,000,000	-	50,000,000
2024	Premium on Note Issuances	n/a	n/a	-	438,505	(109,626)	328,879
Total Notes Payable from Governmental-type Activities				<u>\$ 8,534,085</u>	<u>\$ 58,188,505</u>	<u>\$ (8,643,711)</u>	<u>\$ 58,078,879</u>

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

NOTE I – NOTES PAYABLE (CONTINUED)

The notes payable (Bond Anticipation Notes) from governmental funds were used to fund the administration building project and motor vehicle purchase. These notes proceeds were accounted for in Nonmajor governmental funds.

A summary of business-type note transactions for the year ended December 31, 2024 follows:

YEAR ISSUED	PURPOSE/ DESCRIPTION	FINAL MATURITY	INTEREST RATE	BALANCE JAN. 1, 2024	PRINCIPAL ISSUED IN 2024	PRINCIPAL RETIRED IN 2024	BALANCE DEC. 31, 2024
<i>Business-Type Activities:</i>							
<u>NOTES PAYABLE FROM ENTERPRISE FUNDS:</u>							
<u>Payable From Water Fund:</u>							
2023	Water District Improvement - 383W	2024	4.375%	\$ 1,300,000	\$ -	\$ (1,300,000)	\$ -
2024	Water District Improvement - 383W	2025	4.375%	-	3,000,000	-	3,000,000
2023/2024	Premium on Note Issuance	n/a	n/a	421	12,240	(6,541)	6,120
Total Notes Payable From Water Fund				1,300,421	3,012,240	(1,306,541)	3,006,120
<u>Payable From Wastewater Fund:</u>							
2023	Sewer District Improvement - 336S	2024	4.625%	1,500,000	-	(1,500,000)	-
2023	Sewer District Improvement - 408S	2024	4.625%	330,000	-	(330,000)	-
2023	Sewer District Improvement - 415S	2024	4.25%	1,260,000	-	(1,260,000)	-
2023	Sewer District Improvement - 382S	2024	4.375%	1,300,000	-	(1,300,000)	-
2024	Sewer District Improvement - 336S	2025	4.375%	-	840,000	-	840,000
2024	Sewer District Improvement - 408S	2025	4.375%	-	1,125,000	-	1,125,000
2024	Sewer District Improvement - 415S	2025	4.75%	-	2,175,000	-	2,175,000
2024	Sewer District Improvement - 382S	2025	4.375%	-	2,000,000	-	2,000,000
2023/2024	Premium on Note Issuance	n/a	n/a	6,595	31,293	(27,911)	9,977
Total Notes Payable From Wastewater Fund				4,396,595	6,171,293	(4,417,911)	6,149,977
TOTAL NOTES PAYABLE FROM ENTERPRISE FUNDS				\$ 5,697,016	\$ 9,183,533	\$ (5,724,452)	\$ 9,156,097

The notes payable (Bond Anticipation Notes) from enterprise funds were used to finance various utility Water and Wastewater infrastructure improvements. These notes are accounted for in the Water and Wastewater funds.

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

NOTE J – DEFINED BENEFIT PENSION PLANS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability (Asset)

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

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions 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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

The County's share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting.

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 are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension.

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable. The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. A liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on the accrual basis of accounting.

Ohio Public Employees Retirement System (OPERS)

Plan Description – The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Effective January 1, 2022, the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33, which allows for the consolidation of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. 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 Pension Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional pension plan. 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 were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan 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, including requirements for reduced and unreduced benefits):

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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 62 with 60 months of service credit or Age 57 with 25 years of service credit
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	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	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

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

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.

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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 member's investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitation), 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.

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

	State and Local		
	Traditional Pension Plan	Combined Plan	Member- Directed Plan
2023-2024 Statutory Maximum Contribution Rates			
Employer	14.0 %	14.0 %	14.0 %
Employee *	10.0 %	10.0 %	10.0 %
2023-2024 Actual Contribution Rates			
Employer:			
Pension	14.0 %	12.0 %	10.0 %
Post-Employment Health Care Benefits	0.0 %	2.0 %	4.0 %
Total Employer	14.0 %	14.0 %	14.0 %
Employee	10.0 %	10.0 %	10.0 %

* Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance.

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contributions was \$13,953,992 for fiscal year ending December 31, 2024.

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

The net pension liability/asset for OPERS was measured as of December 31, 2024, and the total pension liability/asset used to calculate the net pension liability/asset 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 projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.585082%	0.622781%
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.556072%	0.602169%
Change in Proportionate Share	-0.029010%	-0.020612%
Proportionate Share of the Net Pension Liability	\$ 145,581,928	\$ -
Proportionate Share of the Net Pension (Asset)	\$ -	\$ (1,850,956)
Pension Expense	\$ 13,584,355	\$ 92,376

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 29,384,642	\$ 301,046	\$ 29,685,688
Differences between expected and actual experience	2,379,413	75,008	2,454,421
Changes of assumptions	-	68,689	68,689
Changes in proportion and differences between County contributions and proportionate share of contributions	613,055	158,560	771,615
County contributions subsequent to the measurement date	13,605,712	348,280	13,953,992
Total Deferred Outflows of Resources	<u>\$ 45,982,822</u>	<u>\$ 951,583</u>	<u>\$ 46,934,405</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 183,074	\$ 183,074
Changes in proportion and differences between County contributions and proportionate share of contributions	3,966,321	88,208	4,054,529
Total Deferred Inflows of Resources	<u>\$ 3,966,321</u>	<u>\$ 271,282</u>	<u>\$ 4,237,603</u>

\$13,953,992 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 the net pension liability or increase to the net pension 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:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	Total
Year Ending December 31:			
2025	\$ 5,022,730	\$ 57,001	\$ 5,079,731
2026	8,820,699	91,313	8,912,012
2027	18,751,624	183,006	18,934,630
2028	(4,184,264)	(40,774)	(4,225,038)
2029	-	12,986	12,986
Thereafter	-	28,489	28,489
Total	<u>\$ 28,410,789</u>	<u>\$ 332,021</u>	<u>\$ 28,742,810</u>

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (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 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. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

	<u>Traditional Pension Plan</u>	<u>Combined Plan</u>
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	2.3 percent simple through 2024, then 2.05 percent simple	2.3 percent simple through 2024, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	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.

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, 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 investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

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	100.00 %	

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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

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

County's proportionate share of the net pension liability/(asset)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Pension Plan	\$ 229,185,075	\$ 145,581,928	\$ 76,048,407
Combined Plan	\$ (1,120,034)	\$ (1,850,956)	\$ (2,426,741)

STATE TEACHERS RETIREMENT SYSTEM (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service.

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 – July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 60. Effective on or after Aug. 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective Aug. 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after Aug. 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

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

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

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

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

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

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

The County's contractually required contribution to STRS was \$107,750 for the fiscal year ended June 30, 2024.

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

The net pension liability was measured as of June 30, 2024, 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 projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>STRS</u>
Proportion of the Net Pension Liability	
Prior Measurement Date	0.00574225%
Proportion of the Net Pension Liability	
Current Measurement Date	<u>0.00554515%</u>
Change in Proportionate Share	<u><u>-0.00019710%</u></u>
Proportionate Share of the Net	
Pension Liability	\$1,066,977
Pension Expense	\$251,750

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

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

	<u>STRS</u>
Deferred Outflows of Resources	
Differences between expected and actual experience	\$ 67,192
Change of Assumptions	49,173
Change in proportionate share and difference between County contributions and proportionate share of contributions	30,317
County contributions subsequent to the measurement date	<u>107,750</u>
Total Deferred Outflows of Resources	<u><u>\$ 254,432</u></u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 585
Changes of Assumptions	37,011
Net difference between projected and actual earnings on pension plan investments	91,739
Change in proportionate share and difference between County contributions and proportionate share of contributions	<u>74,325</u>
Total Deferred Inflows of Resources	<u><u>\$ 203,660</u></u>

\$107,750 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 the net pension liability 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>STRS</u>
Fiscal Year Ending December 31:	
2025	(\$63,800)
2026	81,020
2027	(43,996)
2028	<u>(30,202)</u>
Total	<u><u>(\$56,978)</u></u>

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Projected Salary Increases	Varies by service from 2.5% to 8.5%
Investment Rate of Return	7.00 Percent, Net of Investment Expenses, Including Inflation
Discount Rate of Return	7.00 Percent
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u>100.00 %</u>	

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

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent and does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 1,721,220	\$ 1,066,977	\$ 513,599

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net OPEB Liability/Asset

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

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

**NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

The net OPEB liability/asset represents the County's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually. Ohio Revised Code limits the County's obligation for this liability/asset to annually required payments. The County cannot control benefit terms or the manner in which OPEB are financed; however, the County does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB Statement No. 75 assumes that any liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description—Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust, which was established in 2014 to fund health care for the Traditional Pension, Combined, and Member-Directed plans. With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

Retirees and eligible dependents enrolled in Medicare Parts A and B, and non-Medicare retirees beginning in 2022, are able to participate in the OPERS Connector in lieu of comprehensive health care coverage. The Connector, a vendor selected by OPERS, assist eligible retirees, spouses, and dependents in the evaluation, selection and purchase of a health care plan on the open market. Eligible retirees may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses.

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:

1. Medicare Retirees – Medicare-eligible with a minimum of 20 years of qualifying service credit.
2. Non-Medicare Retirees – Non-Medicare retirees qualify based on the following age-and-service criteria:
 - a. Group A – 30 years of qualifying service credit at any age;
 - b. Group B – 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
 - c. Group C – 32 years of qualifying service credit and minimum age 55; or,
 - d. A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service. Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Retirement Date	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
December 1, 2014 or Prior	Any	10	Any	10	Any	10
January 1, 2015 through December 31, 2021	60	20	52 60	31 20	55	32
	Any	30	Any	32	60	20

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)

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). Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by Systems' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of covered payroll. In 2023, local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by 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. The employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2024 was 2.0 percent and 4.0 percent, respectively.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$178,039 for 2024.

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to OPEB

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

	<u>OPERS</u>
Proportion of the Net OPEB Liability	
Prior Measurement Date	0.576127%
Proportion of the Net OPEB Asset	
Current Measurement Date	<u>0.549151%</u>
Change in Proportionate Share	<u><u>-0.026976%</u></u>
 Proportionate Share of the Net OPEB (Asset)	 \$ (4,956,219)
OPEB Expense	\$ (977,540)

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (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	\$ 2,976,493
Changes of assumptions	1,275,979
Changes in proportion and differences between County contributions and proportionate share of contributions	178,721
County contributions subsequent to the measurement date	<u>178,039</u>
Total Deferred Outflows of Resources	<u><u>\$ 4,609,232</u></u>
Deferred Inflows of Resources	
Differences between expected and actual experience	705,414
Changes of assumptions	2,130,530
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>35,818</u>
Total Deferred Inflows of Resources	<u><u>\$ 2,871,762</u></u>

\$178,039 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 the net OPEB liability or increase to net OPEB asset. 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	\$ (38,026)
2026	285,579
2027	2,316,935
2028	<u>(1,005,057)</u>
Total	<u><u>\$ 1,559,431</u></u>

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (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 benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 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 percent
Prior Measurement Date:	2.75 percent
Projected Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent, including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent, including wage inflation
Single Discount Rate:	
Current Measurement Date:	5.70 percent
Prior Measurement Date:	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current Measurement Date:	3.77 percent
Prior Measurement Date:	4.05 percent
Health Care Cost Trend Rate	
Current Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2038
Prior Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2036

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.

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)

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

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

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

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

Discount Rate. A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023. A single discount rate of 5.22 percent was used to measure the OPEB asset on the measurement date of December 31, 2022. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. 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 2070. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 5.70 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.270 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
County's proportionate share of the net OPEB liability/(asset)	\$ 2,723,789	\$ (4,956,219)	\$ (11,318,002)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care.

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability/(asset)	\$ (5,162,019)	\$ (4,956,219)	\$ (4,722,699)

STATE TEACHERS RETIREMENT SYSTEM (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

OPEB Liabilities/(Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB asset was based on the County's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>STRS</u>
Proportion of the Net OPEB Asset	
Prior Measurement Date	0.00574225%
Proportion of the Net OPEB Asset	
Current Measurement Date	<u>0.00554515%</u>
Change in Proportionate Share	<u>-0.00019710%</u>
 Proportionate Share of the Net OPEB Asset	 (\$105,301)
OPEB Expense	(\$22,469)

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

	<u>STRS</u>
Deferred Outflows of Resources	
Differences between expected and actual experience	\$4,578
Change of Assumptions	12,963
Change in Proportionate Share	<u>3,562</u>
Total Deferred Outflows of Resources	<u>\$21,103</u>
 Deferred Inflows of Resources	
Differences between expected and actual experience	\$11,348
actual experience	
Net difference between projected and	
actual earnings on pension plan investments	4,523
Change of Assumptions	47,490
Change in Proportionate Share	<u>1,214</u>
Total Deferred Inflows of Resources	<u>\$64,575</u>

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	STRS
2025	(\$15,460)
2026	(5,852)
2027	(8,952)
2028	(8,379)
2029	(6,768)
Thereafter	1,939
Total	(\$43,472)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024, actuarial valuation are presented below:

Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Payroll Increases	3 percent	
Discount Rate of Return	7.00 percent	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	7.50 percent	3.94 percent
Medicare	-112.22 percent	3.94 percent
Prescription Drug		
Pre-Medicare	8.00 percent	3.94 percent
Medicare	-15.14 percent	3.94 percent

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

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

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

Actuarial assumptions used in the June 30, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	100.00 %	

* Final Target weights reflected at October 1, 2022

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2024, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

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

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB (asset)	\$ (85,617)	\$ (105,301)	\$ (122,431)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB (asset)	\$ (123,588)	\$ (105,301)	\$ (83,309)

NOTE L – PROPERTY TAX REVENUES

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

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

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

The full tax rate for all County operations for the year ended December 31, 2024, was \$10.4 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	\$8,950,162,830
Public Utility Personal Property	446,683,080
Total Assessed Value	<u>\$9,396,845,910</u>

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

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

NOTE L – PROPERTY TAX REVENUES (CONTINUED)

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Property tax receivables represent real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2024 and for which there is an enforceable legal claim. Although total property tax collections for the next 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. In the governmental funds, the entire receivable has been offset by deferred inflows of resources – property taxes since the current taxes were not levied to finance 2024 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while the remainder of the receivable is reported as deferred inflows of resources – unavailable revenue.

NOTE M – RECEIVABLES & REVENUES

Receivables at December 31, 2024, consisted of taxes, accounts (billings for user charged services, including unbilled utility services), special assessments, accrued interest and intergovernmental receivables arising from grants and entitlements. All receivables are considered fully collectible, including accounts receivable which, if delinquent may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

Total special assessments expected to be collected amounts to \$9,125,229, consisting of \$3,887,473 in the special assessment bond retirement fund and \$5,237,756 in Engineers' storm-water management fund. The amount of delinquent special assessments outstanding at year-end is \$402,146.

A summary of the principal intergovernmental receivables for governmental activities are as follows:

<i>Governmental Activities</i>	<u>Amount</u>
Grants, Incentives and Reimbursements	\$777,300
Other Intergovernmental Receipts, Including:	1,977,275
Motor Vehicle License Tax and Gas Tax	
Casino Revenue	
Public Defender Reimbursements	
Local Government Fund	
Charges for Services	405,702
Fines and Forfeitures	1,210,466
Internal Service	45,442
<i>Total</i>	<u><u>\$4,416,185</u></u>

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

NOTE N – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2024, consisted of the following:

Transfers From	General	Transfers To				Totals
		Public Safety Capital Project	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	
General	\$ -	\$ 41,637,637	\$ 2,342,590	\$ 2,379,350	\$ 2,550,000	\$ 48,909,577
Developmental Disabilities Board	-	-	-	-	1,400,000	1,400,000
Nonmajor Capital Projects	6,346,559	-	-	-	-	6,346,559
Nonmajor Special Revenue	1,496,036	-	5,357,889	93,861	-	6,947,786
Water	-	-	65,000	-	-	65,000
Sewer	-	-	65,000	-	-	65,000
<i>Transfer Totals</i>	<u>\$ 7,842,595</u>	<u>\$ 41,637,637</u>	<u>\$ 7,830,479</u>	<u>\$ 2,473,211</u>	<u>\$ 3,950,000</u>	<u>\$ 63,733,922</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; reclassification of prior year distributed monies, to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

NOTE O – ENCUMBRANCES

Encumbrance accounting is employed in all County funds. Encumbrances outstanding at year-end are closed to fund balance/net position and are re-appropriated at the beginning of the succeeding year.

At December 31, 2024, encumbrances outstanding in governmental funds and proprietary funds which were re-appropriated in the 2025 budget were:

General Fund	\$2,296,303
ADAMHS Board	1,531,057
Public Safety	173,133,541
Non-Major Special Revenue Funds	16,303,289
Non-Major Capital Projects Funds	4,431,573
Enterprise Funds	1,982,825
Non-Major Internal Service Funds	2,157,661
<i>Total</i>	<u><u>\$201,836,249</u></u>

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

NOTE O – ENCUMBRANCES (CONTINUED)

On the GAAP basis, a portion of these encumbrances represented accrued liabilities of the County. At December 31, 2024 encumbrances less these accrued liabilities were:

General Fund	\$1,678,200
ADAMHS Board	1,118,765
Public Safety	164,994,951
Non-Major Special Revenue Funds	12,801,212
Non-Major Capital Projects Funds	3,605,568
Enterprise Funds	1,311,255
Non-Major Internal Service Funds	2,139,072
<i>Total</i>	<u>\$187,649,023</u>

NOTE P – CONTINGENCIES, JUDGMENTS AND CLAIMS

The County is a defendant in a number of claims and lawsuits which may be classified as routine litigation in which minimal non-material damages are being sought. In addition, the County is a defendant in numerous other claims and lawsuits in which the County believes the amounts claimed to be overstated and the chance of losing these cases nominal. In the opinion of the County no material liability is anticipated.

The County participates in several federal and state assisted grants and programs that are subject to financial and compliance audits by the grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The County believes that disallowed claims, if any, will not have a material adverse effect on the County's financial position.

NOTE Q – LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and federal laws and regulations require the County to place a cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of the balance sheet date.

During 2016, Lake County was granted a permit from the Ohio Environmental Protection Agency to allow for vertical (upward) expansion at the County's Landfill. The expansion results in a capacity increase of approximately 6.5 million tons. The County's liability for landfill closure and post closure costs increased in 2024 by approximately \$.7 million.

The \$19.6 million reported as landfill closure and post closure care liability at December 31, 2024, represents the total closure and post-closure estimate. These amounts are based on what it would cost to perform all closure and post closure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

NOTE R – ASSET RETIREMENT OBLIGATIONS

GASB Statement No. 83 “*Certain Asset Retirement Obligations*” establishes criteria for determining the recognition of a liability for an Asset Retirement Obligation (ARO). An ARO is a legally enforceable liability associated with the retirement of an intangible capital asset. Recognition of the ARO occurs when the liability is both incurred and reasonably estimable. An ARO is incurred based on external laws, regulations, or contracts.

Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the County would be responsible to address any public safety issues associated with their sewage treatment facilities and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. At this time, the County does not have an approved permit from the Ohio EPA to dispose of all or part of their sewage treatment plants. Due to the lack of specific legal requirements for retiring the sewage treatment plants, the County has determined that the amount of the Asset Retirement Obligation cannot be reasonably estimated.

NOTE S – RELATED PARTY TRANSACTIONS

Commissioner Regovich is employed part time by CT Consultants and Regovich Catering which are owned by the Commissioner’s son. During 2024, Lake County paid \$414,231 to CT Consultants and \$5,450 to Regovich Catering.

During 2024, Lake County provided facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of programs to Deepwood Industries, Inc., (the “Employment Program”), a discretely presented component unit of Lake County. The Employment Program reported \$204,956 for such contributions, recording revenue and expenses at cost or fair value, as applicable, to the extent the contribution is related to the vocational purposes of the Employment Program.

NOTE T– RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County contracted with CORSA (County Risk Sharing Authority, Inc.) for property and general liability coverage including automobiles, equipment and public officials’ liability. The County also maintains health-care benefits, as well as additional property and general liability coverage, from private carriers. There were no significant reductions in coverage in 2024 as compared to the previous year. Insurance premiums paid to private carriers during 2024 were approximately \$126k. The amount of settlements did not exceed the coverage for each of the past three years. The County pays the State Workers Compensation System a premium based on a rate per \$100 of salaries. This rate is based on administrative costs.

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

NOTE T – RISK MANAGEMENT (Continued)

In 1999, the County Commissioners initiated a self-insurance program for medical prescription coverage only. Then in 2004, the Commissioners initiated a self-insurance program for dental coverage. The maintenance of these benefits is accounted for in the Prescription Self-Insurance and the Dental Self-Insurance funds, respectively, both of which are Internal Service funds. Incurred, but not reported, prescription claims of \$0 and dental claims of \$65,984, have been accrued based upon a review of the January, 2025 billings provided by the County Commissioners' Office.

The total claims liability of \$65,984 reported in the internal service fund at December 31, 2024, is based on the requirements of GASB Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of cost relating to incurred but not reported claims, be reported. The estimates were not affected by incremental claims adjustments expenses and do not include other allocated or unallocated claims adjustment expenses.

Changes in the funds claims liability amounts for the last three fiscal years were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
<u>Prescription:</u>				
2022	\$ 155,992	\$ 4,145,598	\$ 4,100,788	\$ 200,802
2023	200,802	4,415,288	4,424,395	191,695
2024	191,695	3,832,138	4,023,833	-
<u>Dental:</u>				
2022	\$ 53,449	\$ 690,895	\$ 688,076	\$ 56,268
2023	56,268	741,319	797,587	-
2024	-	799,091	733,107	65,984

NOTE U – PUBLIC ENTITY RISK POOLS

COUNTY RISK SHARING AUTHORITY

The County Risk Sharing Authority, Inc. (CORSA) is a public entity risk sharing pool among sixty counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, public officials' liability, and police professional insurance.

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

NOTE U – PUBLIC ENTITY RISK POOLS (Continued)

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2024 was \$920,693. Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

NOTE V – DEFICIT FUND BALANCE

At December 31, 2024, the following funds had a deficit fund balance:

<u>Fund</u>	<u>Amount</u>
Workforce Investment Act	\$100,084
Domestic Relations Court Computer	13,998
Additional Motor Vehicle Tax	5,636,569

The deficit in the funds are the result of recognizing expenses on the modified accrual/accrual basis of accounting. This deficit did not exist on the cash basis of accounting. The General Fund provides operating transfers to these funds when cash is required, not when accruals occur.

There were no other material violations of finance-related legal or contractual provisions.

NOTE W – TAX INCENTIVES AND TAX ABATEMENTS

Several of the cities, villages and townships within Lake County have authorized, through the passage of public ordinances/resolutions, different real estate tax incentives.

The first of these incentives, which is authorized pursuant to Ohio Revised Code Chapter 5709, is called Tax Increment Financing Agreements (TIF's). Under a TIF, the property owner makes Payments in Lieu of Taxes (PILOT's) in the same amount as the property tax, on improvements made to the respective property since the inception of the TIF. The PILOT's are used by the respective cities, villages and townships to finance infrastructure improvements to the properties included within the TIF. The revenue derived from the PILOT's is redirected from the "normal" distribution had the TIF not been established.

With respect to County funds, none of the PILOT's are remitted to County agencies, but instead are remitted to the respective cities, villages and townships to finance the construction of the respective improvements.

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

NOTE W – TAX INCENTIVES AND TAX ABATEMENTS (CONTINUED)

The following are the amounts that would have been received by the respective County funds, for the year ended December 31, 2024, had the TIF agreements not been established and the improvements still constructed:

	<u>Amount</u>
Governmental Funds:	
General Fund	\$108,679
Developmental Disabilities Board	466,215
ADAMHS Board	155,620
Children's Services Board	102,314
Narcotics Agency Fund	24,360
Forensic Crime Laboratory Fund	66,376
Senior Citizens Levy Fund	77,934
<i>Total</i>	<u><u>\$1,001,498</u></u>

The second of these incentives, which is authorized pursuant to Ohio Revised Code Chapter 3735, is called Community Reinvestment Areas (CRA's). In order to establish a CRA, a city, village or township must survey the housing within its jurisdiction and determine that all or part(s) of the jurisdiction has an area(s) that has housing facilities or structures of historical significance and that repair of these facilities and/or structures is discouraged. By establishing a CRA within its jurisdiction, the respective government can offer real estate tax abatements on improvements made to such facilities and/or structures. The percentage and length of time of these abatements is negotiated by the respective government and property owner. With respect to County funds, none of the abated tax revenue is received during the duration of the abatement. The following are the amounts that would have been received by the respective County funds, for the year ended December 31, 2024, had the CRA's not been established and the improvements still constructed:

	<u>Amount</u>
Governmental Funds:	
General Fund	\$24,926
Developmental Disabilities Board	113,785
ADAMHS Board	37,617
Children's Services Board	25,213
Narcotics Agency Fund	6,346
Forensic Crime Laboratory Fund	16,247
Senior Citizens Levy Fund	18,819
<i>Total</i>	<u><u>\$242,953</u></u>

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

NOTE X – FUND BALANCE

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

Fund Balances	General	Developmental Disabilities Board	ADAMHS Board	American Rescue Plan Fund	Public Safety	Other Governmental Funds	Total
<i>Nonspendable</i>							
Prepaid Items	\$ 523,093	\$ 48,785	\$ 7,200	\$ -	\$ -	\$ 37,601	\$ 616,679
Materials and Supplies Inventory	-	-	-	-	-	752,740	752,740
Unclaimed Funds	390,266	-	-	-	-	-	390,266
<i>Total Nonspendable</i>	<u>913,359</u>	<u>48,785</u>	<u>7,200</u>	<u>-</u>	<u>-</u>	<u>790,341</u>	<u>1,759,685</u>
<i>Restricted for</i>							
Other Purposes	-	-	-	-	-	11,250,364	11,250,364
Debt Service	-	-	-	-	-	6,883,980	6,883,980
Capital Projects	-	-	-	-	103,148,793	26,610,520	129,759,313
Public Assistance/Human Services	-	50,393,006	-	-	-	7,847,100	58,240,106
Roads and Bridges	-	-	-	-	-	7,239,587	7,239,587
Health Programs	-	-	3,459,731	-	-	-	3,459,731
Judicial/Public Safety/Grant Programs	-	-	-	-	-	20,120,101	20,120,101
Economic Development	-	-	-	-	-	13,537,155	13,537,155
Children's Services	-	-	-	-	-	14,140,629	14,140,629
General Government Operations	-	-	-	-	-	721,290	721,290
Emergency Rental Assistance	-	-	-	-	-	264,536	264,536
Public Works	-	-	-	-	-	26,490,579	26,490,579
<i>Total Restricted</i>	<u>-</u>	<u>50,393,006</u>	<u>3,459,731</u>	<u>-</u>	<u>103,148,793</u>	<u>135,105,841</u>	<u>292,107,371</u>
<i>Committed to</i>							
Central Communications	5,384,135	-	-	-	-	-	5,384,135
Budget Stabilization	11,042,400	-	-	-	-	-	11,042,400
Employee Payroll	14,900,000	-	-	-	-	-	14,900,000
Capital Projects	-	-	-	-	58,719,765	7,182,778	65,902,543
<i>Total Committed</i>	<u>31,326,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,719,765</u>	<u>7,182,778</u>	<u>97,229,078</u>
<i>Assigned to</i>							
Subsequent Year Appropriations	846,425	-	-	-	-	-	846,425
Encumbrances	1,673,634	-	-	-	-	-	1,673,634
Claimants	503,749	-	-	-	-	-	503,749
<i>Total Assigned</i>	<u>3,023,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,023,808</u>
<i>Unassigned (Deficit)</i>	<u>36,605,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,750,651)</u>	<u>30,855,184</u>
Total Fund Balances	<u><u>\$ 71,869,537</u></u>	<u><u>\$ 50,441,791</u></u>	<u><u>\$ 3,466,931</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 161,868,558</u></u>	<u><u>\$ 137,328,309</u></u>	<u><u>\$ 424,975,126</u></u>

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

NOTE Y – PENDING MATTER

The Auditor of State is conducting an investigation. As of the date of this report, the investigation is ongoing. Dependent on the results of the investigation results may be reported on at a later date.

NOTE Z – SUBSEQUENT EVENTS

GLK (Utilities-Sewer) Digester Cleaner needs \$3,538,660 for a repair (Job No. 461-s). Periodic cleaning and rehabilitation of the digester is required to continue operation.

The Perry Park Sewer project has an estimated cost of \$1,815,000 and is going out to bid (Job No. 22-08). The project and costs are not associated with the Lake County Department of Utilities, instead the Perry JEDD. Once installed the sewer is owned and maintained by the County.

\$2,270,000 is being bid for the Kirtland Old Town Sewers in the Sanitary Sewer Capital Improvement Project (Job No. 445s), which is an assessment project. A note was issued to fund the initial project costs. Once the project is complete, a bond will be issued and the previous note will be paid off. Bond payments are made by assessment to property owners via taxes.

\$24,458 for Booth Farms Perry Village for both sewers and water, which is a subdivision project. This project is not funded by the Lake County Department of Utilities.

Resolution authorizing a sanitary sewer contract for Utilities will cost \$278,522 (Job No. 23-58). This is a subdivision project, not a Lake County Department of Utilities project.

Resolution authorizing Utilities project Wheel Wash System for the Solid Waste Facility (Job No. 481L) is to cost at least \$1,005,650. This is a capital improvement project at the Solid Waste Facility.

Additional subsequent events are listed below:

- Resolution authorizing the recorder to enter into a new contract with Fidler in the amount of \$280,485 for its Media Conversion Project.
- The Commissioners voted to create a TID, Transportation Incentive District in Lake County.
- Resolution awarding Shelly Company for a County resurfacing project.

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) Ohio Public Employees Retirement System (OPERS) Last Ten Years

Traditional Plan	2024	2023	2022	2021
County's Proportion of the Net Pension Liability	0.556072%	0.585082%	0.583408%	0.598999%
County's Proportionate Share of the Net Pension Liability	\$ 145,581,928	\$ 172,833,479	\$ 50,758,857	\$ 88,698,711
County's Covered Payroll	\$ 91,520,986	\$ 90,673,671	\$ 84,681,221	\$ 84,354,750
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.07%	190.61%	59.94%	105.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%
Combined Plan	2024	2023	2022	2021
County's Proportion of the Net Pension (Asset)	0.602169%	0.622781%	0.603543%	0.591139%
County's Proportionate Share of the Net Pension (Asset)	\$ (1,850,956)	\$ (1,467,831)	\$ (2,377,990)	\$ (1,706,403)
County's Covered Payroll	\$ 2,764,983	\$ 2,895,614	\$ 2,740,036	\$ 2,616,643
County's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	66.94%	50.69%	86.79%	65.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	144.55%	137.14%	169.88%	157.67%

Amounts presented as of the County's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.596850%	0.608527%	0.610915%	0.606784%	0.611008%	0.577721%
\$ 117,971,453	\$ 166,663,235	\$ 95,840,719	\$ 137,790,327	\$ 105,834,288	\$ 73,648,319
\$ 83,981,950	\$ 82,183,929	\$ 80,671,885	\$ 78,343,033	\$ 75,938,500	\$ 74,921,308
140.47%	202.79%	118.80%	175.88%	139.37%	98.30%
82.17%	74.70%	84.66%	77.25%	81.08%	86.45%
2020	2019	2018	2017	2016	2015
0.589979%	0.602908%	0.616286%	0.587638%	0.638860%	0.674356%
\$ (1,230,248)	\$ (674,187)	\$ (838,965)	\$ (327,062)	\$ (310,883)	\$ (259,643)
\$ 2,620,086	\$ 2,578,593	\$ 2,521,808	\$ 2,287,850	\$ 2,321,758	\$ 2,465,025
46.95%	26.15%	33.27%	14.30%	13.39%	10.53%
145.28%	126.64%	137.28%	116.55%	116.90%	114.83%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) State Teachers Retirement System (STRS) Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's Proportion of the Net Pension Liability	0.00554515%	0.00574225%	0.00559812%	0.00565932%
County's Proportionate Share of the Net Pension Liability	\$ 1,066,977	\$ 1,236,589	\$ 1,244,470	\$ 723,596
County's Covered Payroll	\$ 775,593	\$ 363,893	\$ 349,164	\$ 383,036
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	137.57%	339.82%	356.41%	188.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.50%	80.00%	78.90%	87.80%

Amounts presented as of the County's measurement date
which is the prior fiscal period end.

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.00494500%	0.00011258%	0.00075259%	0.00077929%	0.00103522%	0.00227256%
\$ 1,196,514	\$ 24,896	\$ 165,478	\$ 185,122	\$ 346,519	\$ 628,069
\$ 136,600	\$ 49,386	\$ 113,414	\$ 144,321	\$ 132,600	\$ 290,057
875.93%	50.41%	145.91%	128.27%	261.33%	216.53%
75.50%	77.40%	77.31%	75.29%	66.80%	72.10%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County Pension Contribution Ohio Public Employees Retirement System (OPERS) Last Ten Years

	2024	2023	2022	2021
<u>Contractually Required Contributions</u>				
Traditional Plan	\$ 13,605,712	\$ 12,812,938	\$ 12,694,314	\$ 11,855,371
Combined Plan	348,280	331,798	405,386	383,605
Total Required Contributions	\$ 13,953,992	\$ 13,144,736	\$ 13,099,700	\$ 12,238,976
Contributions in Relation to the Contractually Required Contribution	(13,953,992)	(13,144,736)	(13,099,700)	(12,238,976)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -
<u>County's Covered Payroll</u>				
Traditional Plan	\$ 97,183,657	\$ 91,520,986	\$ 90,673,671	\$ 84,681,221
Combined Plan	\$ 2,902,333	\$ 2,764,983	\$ 2,895,614	\$ 2,740,036
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
Traditional Plan	14.00%	14.00%	14.00%	14.00%
Combined Plan	12.00%	12.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 11,809,665	\$ 11,757,473	\$ 11,505,750	\$ 10,487,345	\$ 9,401,164	\$ 9,112,620
<u>366,330</u>	<u>366,812</u>	<u>361,003</u>	<u>327,835</u>	<u>274,542</u>	<u>278,611</u>
\$ 12,175,995	\$ 12,124,285	\$ 11,866,753	\$ 10,815,180	\$ 9,675,706	\$ 9,391,231
<u>(12,175,995)</u>	<u>(12,124,285)</u>	<u>(11,866,753)</u>	<u>(10,815,180)</u>	<u>(9,675,706)</u>	<u>(9,391,231)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 84,354,750	\$ 83,981,950	\$ 82,183,929	\$ 80,671,885	\$ 78,343,033	\$ 75,938,500
\$ 2,616,643	\$ 2,620,086	\$ 2,578,593	\$ 2,521,808	\$ 2,287,850	\$ 2,321,758
14.00%	14.00%	14.00%	13.00%	12.00%	12.00%
14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's Pension Contributions State Teachers Retirement System (STRS) Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 107,750	\$ 108,583	\$ 50,945	\$ 48,883
Contributions in Relation to the Contractually Required Contribution	<u>(107,750)</u>	<u>(108,583)</u>	<u>(50,945)</u>	<u>(48,883)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Covered Payroll	\$ 769,643	\$ 775,593	\$ 363,893	\$ 349,164
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 53,625	\$ 19,124	\$ 6,914	\$ 15,878	\$ 20,205	\$ 18,564
<u>(53,625)</u>	<u>(19,124)</u>	<u>(6,914)</u>	<u>(15,878)</u>	<u>(20,205)</u>	<u>(18,564)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 383,036	\$ 136,600	\$ 49,386	\$ 113,414	\$ 144,321	\$ 132,600
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset) Ohio Public Employees Retirement System (OPERS) Last Eight Years (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's Proportion of the Net OPEB Liability/Asset	0.549151%	0.576127%	0.575020%	0.588926%
County's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (4,956,219)	\$ 3,378,952	\$ (18,010,507)	\$ (10,492,187)
County's Covered Payroll	\$ 96,947,280	\$ 95,883,495	\$ 89,677,163	\$ 86,971,393
County's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-5.11%	3.52%	-20.08%	-12.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	107.76%	94.79%	128.23%	115.57%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the County's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.586918%	0.598418%	0.600820%	0.597770%
\$ 81,068,624	\$ 78,019,581	\$ 65,244,626	\$ 60,376,799
\$ 86,602,036	\$ 84,762,522	\$ 83,193,692	\$ 80,630,883
93.61%	92.04%	78.42%	74.88%
47.80%	46.33%	54.14%	54.04%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset) State Teachers Retirement System (STRS) Last Eight Years (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
County's Proportion of the Net OPEB Liability/Asset	0.00555150%	0.00574225%	0.00559812%
County's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (105,301)	\$ (111,678)	\$ (144,954)
County's Covered Payroll	\$ 775,593	\$ 363,893	\$ 349,164
County's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-13.58%	-30.69%	-41.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	158.01%	168.52%	230.73%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

Amounts presented as of the County's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
0.00565932%	0.00494500%	0.00011258%	0.00075259%	0.00077929%
\$ (119,322)	\$ (86,908)	\$ (1,865)	\$ (12,093)	\$ 30,405
\$ 383,036	\$ 136,600	\$ 49,386	\$ 113,414	\$ 144,321
-31.15%	-63.62%	-3.78%	-10.66%	21.07%
174.73%	182.13%	174.74%	176.00%	47.11%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County OPEB Contribution Ohio Public Employees Retirement System (OPERS) Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 178,039	\$ 161,752	\$ 92,568	\$ 90,236
Contributions in Relation to the Contractually Required Contribution	<u>(178,039)</u>	<u>(161,752)</u>	<u>(92,568)</u>	<u>(90,236)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Covered Payroll	\$ 103,085,794	\$ 96,947,280	\$ 95,883,495	\$ 89,677,163
Contributions as a Percentage of Covered Payroll	0.17%	0.17%	0.10%	0.10%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ -	\$ -	\$ -	\$ 896,735	\$ 1,612,618	\$ 1,565,205
-	-	-	(896,735)	(1,612,618)	(1,565,205)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$86,971,393	\$86,602,036	\$84,762,522	\$ 83,193,692	\$ 80,630,883	\$ 78,260,258
0.00%	0.00%	0.00%	1.08%	2.00%	2.00%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's OPEB Contributions State Teachers Retirement System (STRS) Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ -	\$ -		\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Covered Payroll	\$ 769,643	\$ 775,593	\$ 363,893	\$ 349,164
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 383,036	\$ 136,600	\$ 49,386	\$ 113,414	\$ 144,321	\$ 132,600
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

LAKE COUNTY, OHIO

Notes to Required Supplementary Information For the Year Ended December 31, 2024

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2024.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023. For 2024, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were decreased from 3.00% simple through 2023 then 2.05% simple, to 2.30% simple through 2024 then 2.05% simple.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2024.

LAKE COUNTY, OHIO

Notes to Required Supplementary Information For the Year Ended December 31, 2024

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected 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 changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036. For 2024, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.22% to 5.70% (b) the municipal bond rate changed from 4.05% to 3.77% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2036 to 5.50% initial and 3.50% ultimate in 2038.

STATE TEACHERS RETIREMENT SYSTEM

Net Pension Liability

Changes in benefit terms – STRS

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2024.

Changes in assumptions – STRS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017, 2019-2021, and 2024. For fiscal year 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) inflation assumption lowered from 2.75% to 2.50%, (b) investment return assumption lowered from 7.75% to 7.45%, (c) total salary increases rates lowered by decreasing the merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (d) payroll growth assumption lowered to 3.00%, (e) updated the healthy and disable mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016, (f) rates of retirement,

LAKE COUNTY, OHIO

Notes to Required Supplementary Information For the Year Ended December 31, 2024

termination and disability were modified to better reflect anticipated future experience. For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) investment return assumption lowered from 7.45% to 7.00%, (b) discount rate of return reduced from 7.45% to 7.00%. For fiscal year 2023, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) projected salary increases changed from, 12.50% at age 20 to 2.50% at age 65, to, varies by service from 2.50% to 8.50% (b) post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Net OPEB Liability

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal years 2020 and 2021, the health care cost trend rates were modified.

For fiscal year 2022, the discount rate was decreased from 7.45 percent to 7.00 percent. The health care cost trend rates modified.

For fiscal year 2023, projected salary increases changed from, 12.50% at age to 2.50% at age 65, to, varies by service from 2.50% to 8.50%. The health care cost trend rates were modified.

For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from -68.78% initial - 3.94% ultimate to -10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to -11.95% initial - 4.14% ultimate; Medicare from -5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.

LAKE COUNTY, OHIO

Notes to Required Supplementary Information For the Year Ended December 31, 2024

Changes in Benefit Terms – STRS

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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

For fiscal year 2020, claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984 per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2021, Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

There were no benefit term changes from the amounts reported for fiscal year 2022-2024.

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LAKE COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed through the Ohio Department of Education and Workforce:</i>				
<i>Nutrition Cluster:</i>				
National School Breakfast Program	10.553	N/A		\$15,810
National School Lunch Program	10.555	N/A		25,132
COVID-19 National School Lunch Program	10.555	N/A		6,000
Total Nutrition Cluster				<u>46,942</u>
<i>Passed through the Ohio Department of Jobs and Family Services:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	JFSCF125		41,515
		JFSCF524		36,492
		JFSCF525		314
		JFSCFB24		825,516
		JFSCFB25		244,378
Total - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				<u>1,148,215</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURAL				<u>1,195,157</u>
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>				
<i>Direct programs:</i>				
Community Development Block Grants/Entitlements Grants	14.218	CDBG-B-21-UC-39-0007		543
		CDBG-B-22-UC-39-00007		1,166,169
		CDBG-B-23-UC-39-0007		1,098,068
Total - Community Development Block Grants/Entitlements Grants				<u>2,264,780</u>
Shelter Plus Care	14.238	FY2022	\$355,079	355,079
		FY2023	266,761	266,761
Total - Shelter Plus Care			<u>621,840</u>	<u>621,840</u>
Home Investment Partnership Program	14.239	M-21-UC-39-0201		47,000
		M-22-UC-39-0201		271,887
		M-23-UC-39-0201		165,594
		M-21-UP-39-0201		24,172
Total - Home Investment Partnership Program				<u>508,653</u>
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			<u>621,840</u>	<u>3,395,273</u>

LAKE COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Passed Through the Ohio Attorney General's Office:</i>				
Crime Victims Assistance	16.575	2024-VOCA-135505091 2024-VOCA-135900521		\$152,418 43,539
Total - Crime Victims Assistance				195,957
Violence Against Women Formula Grants	16.588	2022-WF-VA5-8211A 2023-WF-VA5-8211		8,602 60,109
				68,711
<i>Passed Through the Ohio Office of Criminal Justice Services:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2022-JG-A01-6447 2023-JG-A01-6447 15PBJA-23-GG-03679-JAGX		330 13,529 28,538
Total Edward Byrne Memorial Justice Assistance Grant Program				42,397
<i>Passed Through the City of Mansfield Police Department</i>				
Forensic DNA Backlog Reduction Program	16.741	15PBJA-23-GG-01344-DNAX		221,789
<i>Passed Through the Ohio Office of Criminal Justice Services:</i>				
Paul Coverdell Forensic Sciences Improvement Grant	16.742	2022-PC-NFS-7802		38,935
TOTAL U.S. DEPARTMENT OF JUSTICE				567,789
<u>U.S. DEPARTMENT OF LABOR</u>				
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Employment Service/Wagner-Peyser Funded Activities	17.207	JFSCES23 JFSCES24		20,483 8,544
Total - Employment Service/Wagner-Peyser Funded Activities				29,027
Unemployment Service Program	17.225	JFSCUR22 JFSCUR23 JFSCUR22 JFSCUR23 JFSCUR23A		2,800 9,556 5,314 111,606 42,977
Total - Unemployment Service Program				172,253

LAKE COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF LABOR - (Continued)</u>				
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Trade Adjustment Assistance - Workers	17.245	JFSCCTR22		\$3,305
		JFSCCTR23		98
Total - Trade Adjustment Assistance - Workers				<u>3,403</u>
Workforce Investment Act (WIA) Cluster:				
WIA Adult Program	17.258	JFSCAP23		7,838
		JFSCAF24		30,828
		JFSCAF23		303,299
		JFSCAP23		92,076
		JFSCAF24		158,210
		JFSFSWBG		79,328
		JFSFSW22		4,995
		JFSFSWBG		1,298
		JFSFSW24		587
Total - WIA Adult Program				<u>678,459</u>
WIA Youth Activities	17.259	JFSCYP22		9,548
		JFSCYP22		120,781
		JFSCYP23		6,697
		JFSCYP23		121,280
Total - WIA Youth Activities				<u>258,306</u>
WIA Dislocated Worker Formula Grants	17.278	JFSCDP23		3,351
		JFSCDF24		18,666
		JFSCDF23		133,068
		JFSCDP23		56,349
		JFSCDF24		60,249
		JFSCRP23		473
		JFSCRP24		196
Total - WIA Dislocated Worker Formula Grants				<u>272,352</u>
Total - Workforce Investment Act (WIA) Cluster				<u>1,209,117</u>
TOTAL U.S. DEPARTMENT OF LABOR				<u><u>1,413,800</u></u>

LAKE COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. FEDERAL HIGHWAY ADMINISTRATION</u>				
<i>Passed Through the Ohio Department of Transportation:</i>				
Highway Planning and Construction	20.205	PID 117510		\$810,400
		PID 117512		154,587
		PID 115910		100,145
		PID 119690		1,256,809
Total - Highway Planning and Construction Cluster				2,321,941
TOTAL U.S. FEDERAL HIGHWAY ADMINISTRATION				2,321,941
<u>U.S. DEPARTMENT OF TREASURY</u>				
<i>Passed Through the Ohio Office of Budget and Management:</i>				
Emergency Rental Assistance	21.023	N/A		340,327
Total - Emergency Rental Assistance				340,327
Coronavirus State and Local Fiscal Recovery Funds	21.027	20230504-C03	\$410,000	410,000
		20230810-C01	229,665	229,665
		20230427-C02	229,464	229,464
		20230504-C04	453,055	453,055
		JFSSSTFO		260,788
				117,090
			848,421	848,421
			456,888	456,888
		DPSFE270		5,002
		2022-AR-CLB-910		125,000
		HB33-AL1490678		14,026,993
Total - Coronavirus State and Local Fiscal Recovery Funds			2,627,494	17,162,366
Local Assistance and Tribal Consistency Fund	21.032	N/A		98,741
TOTAL U.S. DEPARTMENT OF TREASURY			2,627,494	17,601,433

LAKE COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed Through the Ohio Department of Education and Workforce:</i>				
<u>Special Education Cluster</u>				
Special Education: Grants to States	84.027	070037-6BSF-2017P		\$43,831
Special Education: Preschool Grants	84.173	070037-PGS1-2017		10,765
Total Special Education Cluster				<u>54,596</u>
<i>Passed Through the Ohio Department of Developmental Disabilities:</i>				
Special Education-Grants for Infants and Families	84.181	N/A	\$386,207	<u>386,207</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>386,207</u>	<u>440,803</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed Through the Ohio Department of Mental Health:</i>				
Block Grants for Community Mental Health Services	93.958		18,750	18,750
			139,088	139,088
			50,000	50,000
			79,350	79,350
			6,000	6,000
Total - Block Grants for Community Mental Health Services			<u>293,188</u>	<u>293,188</u>
<i>Passed Through the Ohio Department of Alcohol & Drug Addiction Services:</i>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	339,238	339,238
		N/A	364,383	364,383
		N/A	31,674	31,674
		N/A	31,674	31,674
Total - Block Grants for Prevention and Treatment of Substance Abuse			<u>766,969</u>	<u>766,969</u>
<i>Passed Through the Ohio Department of Mental Health:</i>				
Projects for Assistance in Transition from Homelessness	93.150	N/A	69,616	69,616
		N/A	59,390	59,390
Total - Projects for Assistance in Transition from Homelessness			<u>129,006</u>	<u>129,006</u>

LAKE COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - (Continued)</u>				
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Promoting Safe and Stable Families	93.556	JFSCMC24		\$3,316
		JFSCPF23		22,840
		KIDCPF24		5,258
		JFSCMC24		332
		JFSCPF24		21,001
		KIDCPF25		3,482
		JFSCPF24		6,098
		JFSCPF24		900
		KIDCPF25		157
Total - Promoting Safe and Stable Families		JFSCPF24		11,484
				<hr/> 74,868
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Temporary Assistance for Needy Families	93.558	JFSCTF24		29,100
		JFSCTF25		17,579
		JFSCTF24		634,718
		JFSCTF25		43,419
		JFSCTF24		2,000
		JFSCTF24		421,928
		JFSCTF24B		2,566
		JFSCTF24		1,304,071
Total - Temporary Assistance for Needy Families				<hr/> 2,455,381
Child Support Enforcement	93.563	JFSCCS24		1,563,168
		JFSCCS25		553,719
		N/A		443,460
		JFSFCS24I		1,000
		JFSFCS23I		1,514
		JFSCCS24I		468,154
		JFSCCS22I		101,866
Total - Child Support Enforcement				<hr/> 3,132,881
Stephanie Tubbs Jones Child Welfare Services Program	93.645	JFSCCW24		63,535
		JFSCCW23		3,279
Total - Stephanie Tubbs Jones Child Welfare Services Program		JFSCCW24		<hr/> 6,354
				73,168

LAKE COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - (Continued)</u>				
Foster Care Title IV-E	93.658	JFSCFC24		\$4,717
		KIDCF25		628
		JFSOLF24		1,125,702
		KIDOLF25		356,609
		JFSCFC24		221,605
		KIDCF25		69,859
Total - Foster Care Title IV-E				<u>1,779,120</u>
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Adoption Assistance	93.659	JFSCAA24		4,334
		JFSCAA24		516,728
		KIDCAA25		193,117
		N/A		375
Total - Adoption Assistance				<u>714,554</u>
<i>Passed Through the Ohio Department of Mental Health:</i>				
Social Services Block Grant	93.667	N/A	\$74,223	74,223
		N/A	29,996	29,996
			<u>104,219</u>	<u>104,219</u>
<i>Passed Through the Ohio Department of Developmental Disabilities (DD):</i>				
Social Services Block Grant	93.667	N/A		104,892
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Social Services Block Grant	93.667	JFSCSS24		394,194
		JFSCSS25		25,347
		JFSCTX24		641,809
		JFSCTX25		188,000
Total - Social Services Block Grant			<u>104,219</u>	<u>1,458,461</u>

LAKE COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - (Continued)</u>				
<i>Passed Through The Ohio Department of Jobs and Family Services:</i>				
Medical Assistance Program	93.778	MCDFMT24		\$169,400
		MCDFMT25		85,785
		MCDFMT24		610,807
		MCDFMT25		182,054
Total - Medical Assistance Program				1,048,046
<i>Passed Through the Ohio Department of Mental Health and Addiction Services:</i>				
State Targeted Response to the Opioid Crisis Grants	93.788	N/A	\$1,113,306	1,113,306
			1,113,306	1,113,306
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Child Care and Development Block Grant	93.575	JFSCCD24		189,151
Total - Child Care and Development Block Grant				189,151
Chaffe Foster Care Independence Program	93.674	JFSCIL24		6,859
		KIDCIL25		1,413
Total Chaffe Foster Care Independence Program				8,272
Adult Protective Services	93.747	JFSCEB21		22,538
Total Adult Protective Services				22,538
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,406,688	13,258,909
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
<i>Direct Award:</i>				
AmeriCorps Seniors Senior Demonstration Program (FGP)	94.017	22SDCOH005		12,717
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				12,717

LAKE COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed through the Ohio Department of Public Safety</i>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	69A375243000016400HA		\$8,348
Highway Safety Cluster:				
State and Community Highway Safety	20.600	69A375243000040200H0		4,109
Total U.S. Department of Transportation				12,457
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Passed Through the Ohio Department of Homeland Security:</i>				
Boating Safety Financial Assistance	97.012	FAIN 70Z02324MO0002737		29,934
<i>Passed Through the Ohio Emergency Management Agency:</i>				
Emergency Management Performance Grant	97.042	FY2022 EOCGP EMPG FY2022 EMPG FY2023		126,976 26,297 125,673 278,946
Homeland Security Grant Program	97.067	EMW-2019-SS-00024 EMW-2020-SS-00037-S01 EMW-2021-SS-00004 EMW-2022-SS-00058 EMW-2023-SS-00024-S01		4,159 30,598 8,900 23,823 37,994 105,474
Total - Homeland Security Grant Program				414,354
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				414,354
TOTAL FEDERAL AWARDS			\$6,042,229	\$40,634,634

The accompanying note is an integral part of this schedule

LAKE COUNTY

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lake County, Ohio (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 B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

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

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

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F - 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 \$21,744.65.

NOTE G - MATCHING REQUIREMENTS

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

OHIO AUDITOR OF STATE KEITH FABER



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

Lake County
105 Main Street
P.O. Box 490
Painesville, Ohio 44077

To the 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 discretely presented component units and remaining fund information of Lake 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 September 22, 2025, wherein we noted the County restated its governmental activities, business-type activities, and water, sewer, and solid waste funds net position to account for certain capital asset adjustments.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.


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*.

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

September 22, 2025



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**

Lake County
105 Main Street
P.O. Box 490
Painesville, Ohio 44077

To the County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Lake 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.

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



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

September 22, 2025

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LAKE 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)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	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):	AL 21.027 Coronavirus State and Local Fiscal Recovery Funds (SLFRF); AL 14.218 Community Development Block Grants; AL 93.558 Temporary Assistance for Needy Families; AL 20.205 Highway Planning and Transportation; AL 93.778 Medicaid
(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**

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

OHIO AUDITOR OF STATE KEITH FABER



LAKE 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 9/30/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov