



OHIO AUDITOR OF STATE
KEITH FABER



**PREBLE COUNTY
DECEMBER 31, 2024**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Preble County
101 East Main Street
Eaton, Ohio 45320

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Preble 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Preble 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, Motor Vehicle and Gas Tax, Developmental Disabilities, 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 3 to the financial statements, during 2024, the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

As discussed in Note 29 to the financial statements, the County reported the Preble County Land Reutilization Corporation as a discretely presented component unit. 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, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 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

August 22, 2025

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PREBLE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
UNAUDITED

The discussion and analysis of Preble 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 to enhance their understanding.

FINANCIAL HIGHLIGHTS

1. The net position of the County's governmental activities increased mainly due to Net Investment in Capital Assets increasing by \$1,370,736. This was primarily due to current year capital asset and construction in progress additions exceeding accumulated depreciation and current year deletions.
2. The net position of the County's business-type activities increased by \$2,800,915 due to an increase in the Net Investment in Capital Assets which is due to current year capital asset and construction in progress additions exceeding accumulated depreciation and current year deletions.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis introduces you to Preble County's basic financial statements, which are made up of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

Preble County's government-wide financial statements include a Statement of Net Position and a Statement of Activities, which report on the financial activities of the Preble County government as a whole, giving the reader a summary of County finances with a view of the bottom-line results of the County's operations.

Additionally, these statements are prepared using the economic resources measurement focus and the accrual basis of accounting, similar to financial statements prepared in the private sector. As a result, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the County are accrued, and revenues and expenses are reported in the current year regardless of when the resulting cash flows occur.

The County's financial activities are identified in the government-wide financial statements as governmental activities or business-type activities. Governmental activities constitute the majority of the County's operations and are financed primarily by operating grants, taxes, charges for services, capital grants, and other intergovernmental revenues. The County's governmental activities are accounted for in the governmental funds and are classified in the following major functions:

Legislative and Executive – general government operations including the offices of the commissioners, auditor, treasurer, prosecutor, recorder, budget commission, the data processing department, the rural zoning department, the board of elections, the maintenance department, and the microfilm department.

Judicial – court related activities including the operations of the common pleas court, probate court, juvenile court, common pleas referee, municipal court, jury commission, adult probation department, court of appeals, law library, and clerk of courts.

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Public Safety – activities associated with the protection of the public including the sheriff's operations, office of the coroner, building regulations, workhouse and disaster services.

Public Works – activities associated with maintaining County roads and bridges and sanitation and drainage systems.

Health – activities related to serving the public health, including activities provided by the dog warden, the Board of Developmental Disabilities, the Mental Health Board, and the Alcohol and Drug Addiction Services Board.

Human Services – activities related to the provisions of various forms of services and assistance to individuals, children and families, including services provided by the Veteran's Services Board, Children Services Board, Child Support Enforcement Agency, and the Department of Job and Family Services.

Community and Economic Development – activities associated with encouraging economic growth throughout Preble County.

Business-type activities are those activities accounted for in enterprise funds, including the County's sewer and landfill. Business-type activities rely on user fees and other charges to wholly, or to a large extent, fund their operations.

The Statement of Net Position reports all assets and deferred outflows of resources and liabilities and deferred inflows of resources of the County, with Net Position being the difference between the two. This statement is useful when evaluating the financial condition of the County. Monitoring the changes to Net Position over time is one indication of whether the County's financial condition is improving or deteriorating.

The Statement of Activities reports, for the current year, the changes to the County's Net Position, which is the difference between revenues and expenses. However, the format of this statement departs from a more traditional "revenues less expenses equals change in Net Position" format you may see in the private sector.

Generally, private sector goals are to generate income, or simply put, maximize revenues. As such, private sector operating statements present revenues first. Expenses, which reduce revenues, are presented next as a deduction against those revenues.

Public sector goals are different in that servicing the needs of the citizens, or spending, is what drives the financial activities and dictates the level of resources that are required to be raised.

In the County's Statement of Activities, resources used to fund service activities are identified as either program revenues (resources obtained from outside the County, such as fees, charges for services, grants and restricted interest) or general revenues (all non-program revenues, including taxes). Preble County operations have also been classified into distinct governmental or business-type service activities. These activities are reported in a format that allows the reader to see the extent to which each activity is supported or self-financed by program revenues or draws on the general resources of the County. The Statement of Activities is therefore useful in assessing the level of self-sufficiency of the various governmental or business-type activities versus management established performance benchmarks.

PREBLE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
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The government-wide financial statements begin on page 15 of this report.

Fund Financial Statements

A fund is an accounting term referring to a segregated group of accounts used to account for and to assist with the management of financial resources received. Various funds may be established to account for specific activities or objectives of the County, and to demonstrate compliance with finance related legal requirements associated with those resources.

Fund financial statements report additional and more detailed information about the County with an emphasis on major funds. Major funds are those governmental or enterprise funds that have been determined to be the most significant based on a defined set of financial criteria, as well as any other funds deemed to be particularly important to readers because of public interest or to ensure consistency between years. Information is presented separately in the fund financial statements for each of the major funds. Information for all nonmajor funds is aggregated and presented in a separate column of the fund financial statements.

All funds of Preble County are classified into one of three fund categories: governmental, proprietary, or fiduciary.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, but use a different measurement focus. Governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting, a short-term view focusing on the flow of monies into and out of the funds and the year-end balances available for near-future spending. This is in contrast to the government-wide financial statements that incorporate a longer-term focus. A reconciliation included in the governmental fund financial statements compares the governmental funds' information with the governmental activities' information as reported in the government-wide financial statements.

Most of the County's services are reported in governmental funds, the following of which are considered major funds: General, Motor Vehicle and Gas Tax, Developmental Disabilities and American Rescue Plan. The basic governmental fund financial statements begin on page 18 of this report.

Proprietary Funds. The County uses proprietary funds. Since the proprietary fund financial statements are prepared using the same measurement focus and basis of accounting as the government-wide financial statements, they provide the same type of information, only in greater detail.

Enterprise funds are used to account for the County's sewer and landfill operations, which are the business-type activities as reported in the government-wide financial statements. The basic proprietary fund financial statement begins on page 29 of this report.

Fiduciary Funds. Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for outside parties and are accounted for in a manner similar to proprietary funds. Fiduciary funds are not presented in the government-wide financial statements as their resources are not available to support the County's governmental or business-type activities. The fiduciary fund financial statements begin on page 33 of this report.

PREBLE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Notes to the Financial Statements

The notes to the financial statements are an integral part of the basic financial statements, providing additional important disclosures essential for a complete understanding of the financial data reported in the government-wide and fund financial statements. The notes to the financial statements begin on page 35 of this report.

Summary

To summarize, the government-wide financial statements report the County's activities as a whole, using a longer-term, economic resources measurement focus while the fund financial statements report financial activities in more detail, with a shorter-term focus and emphasis on major funds. More simply, the primary focus of government-wide financial statements is demonstrating *operational accountability*, while the primary focus of fund financial statements is *fiscal accountability*. Preble County management believes these basic financial statements provide the reader with the best information yet available to assess the level of the County's fiscal and operational accountability, both near-term and long-term.

THE COUNTY AS A WHOLE

As stated previously, the Statement of Net Position looks at the County as a whole. Table 1 provides a summary of the County's Net Position for 2024 compared to 2023.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other						
Assets	\$49,502,604	\$50,975,953	\$16,403,406	\$13,954,191	\$65,906,010	\$64,930,144
Net Pension Asset	290,674	227,455	9,480	7,418	300,154	234,873
Net OPEB Asset	704,192	0	22,963	0	727,155	0
Capital Assets	48,548,485	47,200,914	12,613,150	10,908,831	61,161,635	58,109,745
Total Assets	99,045,955	98,404,322	29,048,999	24,870,440	128,094,954	123,274,762
Deferred Outflows of Resources						
Pension	6,772,617	9,577,689	220,836	312,306	6,993,453	9,889,995
OPEB	627,386	1,461,871	20,459	47,670	647,845	1,509,541
Total Deferred Outflows of Resources	\$7,400,003	\$11,039,560	\$241,295	\$359,976	\$7,641,298	\$11,399,536

(continued)

PREBLE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Liabilities						
Current Liabilities	\$4,186,064	\$4,995,257	\$2,275,454	\$1,480,934	\$6,461,518	\$6,476,191
Long-Term Liabilities						
Due Within One Year	1,405,086	510,469	205,817	147,981	1,610,903	658,450
Due in More Than One Year:						
Net Pension Liability	20,673,959	22,958,996	674,151	748,663	21,348,110	23,707,659
Net OPEB Liability	0	486,664	0	15,870	0	502,534
Other Amounts	2,112,100	464,741	9,885,987	9,395,665	11,998,087	9,860,406
Total Liabilities	28,377,209	29,416,127	13,041,409	11,789,113	41,418,618	41,205,240
Deferred Inflows of Resources						
Property Taxes	6,608,669	6,419,284	0	0	6,608,669	6,419,284
Pension	90,439	193,347	2,001	3,373	92,440	196,720
OPEB	408,565	162,445	13,316	5,277	421,881	167,722
Leases	628,912	727,200	0	0	628,912	727,200
Total Deferred Inflows of Resources	7,736,585	7,502,276	15,317	8,650	7,751,902	7,510,926
Net Position						
Net Investment in						
Capital Assets	48,514,354	47,143,618	10,421,154	8,578,218	58,935,508	55,721,836
Restricted	19,243,159	20,847,830	32,443	7,418	19,275,602	20,855,248
Unrestricted	2,574,651	4,534,031	5,779,971	4,847,017	8,354,622	9,381,048
Total Net Position	\$70,332,164	\$72,525,479	\$16,233,568	\$13,432,653	\$86,565,732	\$85,958,132

New Accounting Pronouncements

For 2024, the County implemented GASB Statement No. 101 Compensated Absences, which does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The implementation of GASB 101 resulted in recognizing additional compensated absences liabilities of \$2,395,894 in governmental activities and \$112,413 in business-type activities at January 1, 2024. These amounts also impacted beginning net position for the cumulative effect of additional compensated absences expense. (See Note 3)

Government Activities

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2024. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both

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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.

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

Government-wide Financial Analysis

Governmental current and other assets decreased \$1,473,349 due to a decrease in cash and cash equivalents related to a decrease in intergovernmental revenues. Governmental capital assets increased \$1,347,571 due to current year capital asset and construction in progress additions exceeding accumulated depreciation and current year deletions.

Total governmental liabilities decreased \$1,038,918, mainly due to a decrease in the net pension liability. Unrestricted Net Position decreased mainly due to the County implementing GASB No 101.

Business-type activities current and other assets increased \$2,449,215 due to an increase in Intergovernmental receivables. Capital assets increased \$1,704,319 due to an increase in Construction in Progress for the new waste-water treatment plant. Total net position increased \$2,800,915 due to the increase in Net Investment in Capital Assets.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2024 and 2023.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$5,436,357	\$7,915,072	\$4,639,312	\$4,709,826	\$10,075,669	\$12,624,898
Operating Grants, Contributions, and Interest	16,428,115	17,440,087	1,377,684	332,894	17,805,799	17,772,981
Capital Grants, Contributions, and Interest	0	427,299	0	0	0	427,299
Total Program Revenues	21,864,472	25,782,458	6,016,996	5,042,720	27,881,468	30,825,178
General Revenues:						
Property Taxes	7,827,035	5,674,475	0	0	7,827,035	5,674,475
Permissive Sales Tax	7,818,924	7,654,538	0	0	7,818,924	7,654,538
Other Local Taxes	12,126	13,582	0	0	12,126	13,582
Grants and Entitlements Not Restricted to Specific Programs	2,063,782	5,905,780	0	0	2,063,782	5,905,780
Gifts and Donations	3,600	250	0	0	3,600	250
Investment Earnings and Other Interest	1,370,064	2,416,276	32,101	16,121	1,402,165	2,432,397
Other	1,634,788	1,366,808	20,028	27,414	1,654,816	1,394,222
Total General Revenues	20,730,319	23,031,709	52,129	43,535	20,782,448	23,075,244
Total Revenues	42,594,791	48,814,167	6,069,125	5,086,255	48,663,916	53,900,422
Program Expenses						
General Government						
Legislative and Executive	6,260,112	6,883,930	0	0	6,260,112	6,883,930
Judicial	3,446,409	3,472,075	0	0	3,446,409	3,472,075
Intergovernmental	276,773	21,216	0	0	276,773	21,216
Public Safety	9,074,929	7,928,626	0	0	9,074,929	7,928,626
Public Works	6,193,802	7,589,949	0	0	6,193,802	7,589,949
Health	2,788,017	3,063,920	0	0	2,788,017	3,063,920
Human Services	14,064,989	14,240,144	0	0	14,064,989	14,240,144
Community and Economic Development	285,662	510,249	0	0	285,662	510,249
Interest	1,519	2,259	0	0	1,519	2,259
Sewer	0	0	80,636	68,590	80,636	68,590
Landfill	0	0	3,075,161	3,268,124	3,075,161	3,268,124
Total Expenses	42,392,212	43,712,368	3,155,797	3,336,714	45,548,009	47,049,082
Change in Net Position	202,579	5,101,799	2,913,328	1,749,541	3,115,907	6,851,340
Net Position At Beginning Of Year As Previously Reported	72,525,479	67,423,680	13,432,653	11,683,112	85,958,132	79,106,792
Restatement- Change in Accounting Principle	(2,395,894)	0	(112,413)	0	(2,508,307)	0
Restated Net Position Beginning of Year	70,129,585	67,423,680	13,320,240	11,683,112	83,449,825	79,106,792
Net Position End of Year	\$70,332,164	\$72,525,479	\$16,233,568	\$13,432,653	\$86,565,732	\$85,958,132

PREBLE COUNTY, OHIO
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New Accounting Pronouncements

The above table separately reflects the restatement for changes in accounting principles related to the implementation of GASB Statement No. 101, Compensated Absences. *Accounting Changes and Error Corrections* does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The 2023 information does not reflect activity related to the additional compensated absences expenses required under GASB 101, Compensated Absences. (See also explanation of new accounting pronouncements provided related to Net Position - Table 1 and explanation provided in Note 3.)

Governmental Activities

The County's largest revenue source is Operating Grants, Contributions and Interest. These monies are mostly received from both the State and federal government, as well as State aid (i.e. motor vehicle and gas tax monies). Property Tax and Permissive Sales Tax together is the second largest revenue stream of the County.

Charges for Services decreased from the prior year by \$2,478,715, mainly due to decrease for demand in services. Property tax revenue increased from the prior year by \$2,152,560, due to property value increases. Grants and Entitlements Not Restricted to Specific Programs decreased \$3,841,998 from the prior year due to no longer receiving additional American Rescue Plan Act funding. Investment Earnings and Other Interest decreased \$1,046,212 due to change in how investments are invested.

Overall expenses decreased \$1,320,156. The decrease is primarily due to the State-wide pension systems' net difference between projected and actual earnings on pension plan investments.

Business-type Activities

The County's sewer and landfill system operations constitute the only business-type activities. Operating Grants, Contributions, and interest saw an increase of \$1,044,790 due to new grant funding for the new waste-water treatment plant. Expenses saw a slight decrease of \$180,917. The decrease in expenses is due to the State-wide pension systems' net difference between projected and actual earnings on pension plan investments.

FUND ANALYSIS

As mentioned above, various funds have been established to account for specific County activities or objectives. A summary of the most significant fiscal activity in the County's funds follows.

Governmental funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unrestricted fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year. At the end of 2024, the County's governmental funds reported combined ending fund balances of \$33,574,123. Approximately 47 percent of this total amount constitutes restricted fund balance.

The General Fund is the chief operating fund of the County. At the end of the current year, fund balance of the General Fund was \$17,594,356, an increase of \$363,684.

PREBLE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
UNAUDITED

The Motor Vehicle and Gas Tax Fund saw a decrease of \$941,039 due to a decrease in charges for services and a decrease in public works expenses.

The Developmental Disabilities Fund balance decreased by \$712,277. Despite an increase in Property Tax and Intergovernmental revenues, expenditures continued to outpace revenues.

The American Rescue Plan Act Fund received federal funding in prior years, the remaining \$2,029,646 is considered unearned revenue.

Proprietary Funds: The proprietary funds' financial statements provide the same information as seen in the government-wide financial statements only in more detail. A summary of financial activity occurring in the Sewer and Landfill Enterprise Funds follows.

The sewer operations within the County are minimal, taking in only \$172,498 in user charges and \$1,377,684 in federal grants during 2024. Net position increased \$1,469,546 during 2024, ending with a fund net position of \$3,966,256.

Net position for the County-owned landfill had an increase of \$1,443,782 leading to an ending fund net position of \$12,267,312.

GENERAL FUND BUDGET ANALYSIS

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The County's budget is adopted at the object level (personal services, materials and supplies, contractual services, capital purchases, and other). Before the budget is adopted the County Commissioners review detailed budget worksheets of each function within the General Fund and then adopt the budget on an object level basis.

During the year, the General Fund's budgeted revenues remained consistent. The County used a conservative approach in estimating revenues for the year. This conservative approach is noticeable when you compare actual revenues to final budgeted revenues. The actual revenues exceeded budgeted revenues by approximately 12 percent. The largest increases in revenue were in property taxes and permissive sales tax.

During 2024, there were numerous revisions to the General Fund's budgeted expenditures. The net effect of the revisions was an increase in budgeted expenditures of \$654,530. By monitoring expenditures, the County was able to keep actual expenditures below final budgeted expenditures by \$1,640,421.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Preble County's total investment in capital assets for governmental and business-type activities (net of accumulated depreciation) amounts to \$48,548,485 and \$12,613,150, respectively. Activity during the year resulted in an increase of \$1,347,571 in governmental and an increase of \$1,704,319 in business-type compared to 2023. The increase in governmental assets is due to infrastructure improvements during the year. The increase in business-type activities is due to the addition to construction in progress for the new waste-water treatment plant, and several additions to furniture, fixtures and equipment.

PREBLE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
UNAUDITED

See Note 10 of the notes to the basic financial statements for more detailed information.

Debt

At December 31, 2024, Preble County business-type activities had debt obligations at year-end consisting of a long-term obligations of an Ohio Water Development Authority (OWDA) loan, and Ohio Public Works Commission (OPWC) loans in the amount of \$902,802.

See Notes 16 and 17 of the notes to the basic financial statements for more detailed information.

CONTACTING THE COUNTY AUDITOR'S OFFICE

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Preble County Auditor, 101 East Main Street, Eaton, Ohio 45320.

PREBLE COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$32,360,962	\$11,788,753	\$44,149,715	\$527,448
Cash and Cash Equivalents in Segregated Accounts	945,049	0	945,049	0
Cash and Cash Equivalents with Trustee	0	3,747,891	3,747,891	0
Accrued Interest Receivable	194,398	0	194,398	0
Accounts Receivable	897,204	360,430	1,257,634	0
Permissive Sales Tax Receivable	1,272,067	0	1,272,067	0
Due from Other Governments	5,045,253	1,359,780	6,405,033	28,813
Internal Balances	857,406	(857,406)	0	0
Prepaid Items	23,753	0	23,753	0
Materials and Supplies Inventory	187,768	3,958	191,726	0
Property Taxes Receivable	7,026,968	0	7,026,968	0
Special Assessments Receivable	62,864	0	62,864	0
Leases Receivable	628,912	0	628,912	0
Assets Held for Resale	0	0	0	146,480
Net Pension Asset	290,674	9,480	300,154	0
Net OPEB Asset	704,192	22,963	727,155	0
Nondepreciable Capital Assets	2,950,297	3,248,094	6,198,391	0
Depreciable Capital Assets, Net	45,598,188	9,365,056	54,963,244	0
Total Assets	99,045,955	29,048,999	128,094,954	702,741
Deferred Outflows of Resources:				
Pension	6,772,617	220,836	6,993,453	0
OPEB	627,386	20,459	647,845	0
Total Deferred Outflows of Resources	7,400,003	241,295	7,641,298	0
Liabilities:				
Accounts Payable	496,266	859,639	1,355,905	5,921
Accrued Salaries Payable	949,335	41,830	991,165	0
Payroll Taxes and Withholdings	352,014	15,718	367,732	0
Compensated Time Payable	54,877	5,157	60,034	0
Contracts Payable	0	1,195,026	1,195,026	0
Retainage Payable	0	94,168	94,168	0
Due to Other Governments	303,926	63,916	367,842	0
Unearned Revenue	2,029,646	0	2,029,646	0
Long-Term Liabilities:				0
Due Within One Year	1,405,086	205,817	1,610,903	0
Due in More Than One Year:				0
Net Pension Liability	20,673,959	674,151	21,348,110	0
Other Amounts	2,112,100	9,885,987	11,998,087	0
Total Liabilities	28,377,209	13,041,409	41,418,618	5,921
Deferred Inflows of Resources:				
Property Taxes	6,608,669	0	6,608,669	0
Pension	90,439	2,001	92,440	0
OPEB	408,565	13,316	421,881	0
Leases	628,912	0	628,912	0
Total Deferred Inflows of Resources	7,736,585	15,317	7,751,902	0
Net Position:				
Net Investment in Capital Assets	48,514,354	10,421,154	58,935,508	0
Restricted for:				
Human Services	609,582	0	609,582	0
Mental Health Services	7,004,762	0	7,004,762	0
Public Works	229,992	0	229,992	0
Road Maintenance and Repair	3,344,303	0	3,344,303	0
Community and Economic Development	1,091,943	0	1,091,943	0
Public Safety	3,573,698	0	3,573,698	0
Real Estate Assessments	2,383,428	0	2,383,428	0
Other Health Services	6,688	0	6,688	0
Legislative and Executive	3,897	0	3,897	0
Pension/OPEB Plans	994,866	32,443	1,027,309	0
Unrestricted	2,574,651	5,779,971	8,354,622	696,820
Total Net Position	\$70,332,164	\$16,233,568	\$86,565,732	\$696,820

See Accompanying Notes to the Basic Financial Statements

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

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental Activities:				
General Government:				
Legislative and Executive	\$6,260,112	\$1,652,662	\$190,947	\$0
Judicial	3,446,409	1,020,831	141,786	0
Intergovernmental	276,773	0	0	0
Public Safety	9,074,929	1,662,689	818,242	0
Public Works	6,193,802	452,155	5,552,947	0
Health	2,788,017	456,863	2,037,352	0
Human Services	14,064,989	191,157	6,980,564	0
Community and Economic Development	285,662	0	706,277	0
Interest	1,519	0	0	0
Total Governmental Activities	42,392,212	5,436,357	16,428,115	0
Business-Type Activities:				
Sewer	80,636	172,498	1,377,684	0
Landfill	3,075,161	4,466,814	0	0
Total Business-Type Activities	3,155,797	4,639,312	1,377,684	0
Total Primary Government	\$45,548,009	\$10,075,669	\$17,805,799	\$0
Component Unit	\$169,711	\$0	\$195,095	\$0

General Revenues:

Property Taxes Levied for:
 General Purposes
 Community Mental Health
 Developmental Disabilities
 Other Legislative and Executive
 Children Services
 Disaster Services
 Senior Citizens Services
Permissive Sales Tax Levied for
 General Purposes
Other Local Taxes
Grants and Entitlements not
 Restricted to Specific Programs
Gifts and Donations
Investment Earnings and Other Interest
Other

Total General Revenues

Change in Net Position

Net Position at Beginning of Year as Previously Reported

Restatement from Change in Accounting Principles- See Note 3

Net Position at Beginning of Year- Restated

Net Position at End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expenses) Revenues and Changes in Net Position

Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Total	
(\$4,416,503)	\$0	(\$4,416,503)	\$0
(2,283,792)	0	(2,283,792)	0
(276,773)	0	(276,773)	0
(6,593,998)	0	(6,593,998)	0
(188,700)	0	(188,700)	0
(293,802)	0	(293,802)	0
(6,893,268)	0	(6,893,268)	0
420,615	0	420,615	0
(1,519)	0	(1,519)	0
(20,527,740)	0	(20,527,740)	0
0	1,469,546	1,469,546	0
0	1,391,653	1,391,653	0
0	2,861,199	2,861,199	0
(20,527,740)	2,861,199	(17,666,541)	0
0	0	0	25,384
3,159,927	0	3,159,927	0
590,540	0	590,540	0
1,806,893	0	1,806,893	0
118,970	0	118,970	0
698,486	0	698,486	0
20,380	0	20,380	0
1,431,839	0	1,431,839	0
7,818,924	0	7,818,924	0
12,126	0	12,126	0
2,063,782	0	2,063,782	0
3,600	0	3,600	0
1,370,064	32,101	1,402,165	0
1,634,788	20,028	1,654,816	118,972
20,730,319	52,129	20,782,448	118,972
202,579	2,913,328	3,115,907	144,356
72,525,479	13,432,653	85,958,132	0
(2,395,894)	(112,413)	(2,508,307)	0
70,129,585	13,320,240	83,449,825	552,464
\$70,332,164	\$16,233,568	\$86,565,732	\$696,820

PREBLE COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Motor Vehicle and Gas Tax Fund	Developmental Disabilities Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$14,685,207	\$1,040,093	\$5,571,214
Cash and Cash Equivalents in Segregated Accounts	570,926	0	0
Receivables:			
Permissive Sales Tax	1,272,067	0	0
Property Taxes	2,520,464	0	1,680,077
Accounts	202,418	3,186	0
Special Assessments	0	0	0
Accrued Interest	194,398	0	0
Interfund	1,104,061	7,377	0
Leases	608,926	0	0
Due From Other Governments	843,223	2,642,536	219,981
Materials and Supplies Inventory	52,068	119,934	1,074
Prepaid Items	2,832	12,618	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	219,487	0	0
Total Assets	<u>\$22,276,077</u>	<u>\$3,825,744</u>	<u>\$7,472,346</u>
Liabilities:			
Accounts Payable	\$97,335	\$14,732	\$2,620
Accrued Salaries Payable	527,225	132,991	65,648
Payroll Taxes and Withholdings	170,800	63,954	26,937
Due to Other Governments	185,590	33,196	21,199
Interfund Payable	7,377	0	0
Unearned Revenue	0	0	0
Total Liabilities	<u>988,327</u>	<u>244,873</u>	<u>116,404</u>
Deferred Inflows of Resources:			
Property Taxes	2,342,451	0	1,580,770
Unavailable Revenue	742,017	1,806,748	246,920
Leases	608,926	0	0
Total Deferred Inflows of Resources	<u>3,693,394</u>	<u>1,806,748</u>	<u>1,827,690</u>
Fund Balances:			
Nonspendable	274,387	132,552	1,074
Restricted	0	1,641,571	5,527,178
Assigned	4,703,367	0	0
Unassigned	12,616,602	0	0
Total Fund Balances	<u>17,594,356</u>	<u>1,774,123</u>	<u>5,528,252</u>
Total Deferred Inflows of Resources, Liabilities and Fund Balances	<u>\$22,276,077</u>	<u>\$3,825,744</u>	<u>\$7,472,346</u>

See Accompanying Notes to the Basic Financial Statements

American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$2,029,646	\$8,815,315	\$32,141,475
0	374,123	945,049
0	0	1,272,067
0	2,826,427	7,026,968
0	691,600	897,204
0	62,864	62,864
0	0	194,398
0	0	1,111,438
0	19,986	628,912
0	1,339,513	5,045,253
0	14,692	187,768
0	8,303	23,753
0	0	219,487
<u>\$2,029,646</u>	<u>\$14,152,823</u>	<u>\$49,756,636</u>
\$0	\$381,579	\$496,266
0	223,471	949,335
0	90,323	352,014
0	63,941	303,926
0	246,655	254,032
<u>2,029,646</u>	<u>0</u>	<u>2,029,646</u>
<u>2,029,646</u>	<u>1,005,969</u>	<u>4,385,219</u>
0	2,685,448	6,608,669
0	1,764,028	4,559,713
<u>0</u>	<u>19,986</u>	<u>628,912</u>
<u>0</u>	<u>4,469,462</u>	<u>11,797,294</u>
0	22,995	431,008
0	8,653,935	15,822,684
0	462	4,703,829
<u>0</u>	<u>0</u>	<u>12,616,602</u>
<u>0</u>	<u>8,677,392</u>	<u>33,574,123</u>
<u>\$2,029,646</u>	<u>\$14,152,823</u>	<u>\$49,756,636</u>

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

Total Governmental Fund Balance	\$33,574,123
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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.	48,548,485
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:

Property and Other Taxes	418,299
Accounts	564,939
Intergovernmental	3,430,008
Special Assessments	62,864
Investment Earnings and Other Interest	83,603

Total	4,559,713
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The net pension liability (asset) is not due and payable in the current period; therefore, the liability (asset) and related deferred inflows/outflows are not reported in the governmental funds:

Net Pension Asset	290,674
Net OPEB Asset	704,192
Deferred Outflows - Pension	6,772,617
Deferred Outflows - OPEB	627,386
Net Pension Liability	(20,673,959)
Deferred Inflows - Pension	(90,439)
Deferred Inflows - OPEB	(408,565)

Total	(12,778,094)
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Lease Payable	(34,131)
Comp Time Payable	(54,877)
Compensated Absences	(3,483,055)

Total	(3,572,063)
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<i>Net Position of Governmental Activities</i>	\$70,332,164
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See Accompanying Notes to the Basic Financial Statements

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

	General Fund	Motor Vehicle and Gas Tax Fund	Developmental Disabilities Fund
Revenues:			
Property Taxes	\$3,164,192	\$0	\$1,768,348
Permissive Sales Tax	7,818,924	0	0
Other Local Taxes	0	0	0
Charges for Services	2,823,167	358,080	0
Licenses and Permits	2,672	0	0
Fines, Forfeitures, and Settlements	187,645	27,900	0
Intergovernmental	1,884,093	5,445,505	1,023,761
Special Assessments	0	0	0
Investment Earnings and Other Interest	1,351,772	104,207	0
Lease	70,051	0	0
Gifts and Donations	3,600	0	0
Other	611,858	0	60,900
Total Revenues	17,917,974	5,935,692	2,853,009
Expenditures:			
Current:			
General Government:			
Legislative and Executive	5,283,887	0	0
Judicial	3,165,779	0	0
Intergovernmental	276,773	0	0
Public Safety	7,546,125	0	0
Public Works	0	6,939,993	0
Health	98,485	0	0
Human Services	481,423	0	3,565,286
Community and Economic Development	88,000	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	23,165	0	0
Interest	1,519	0	0
Total Expenditures	16,965,156	6,939,993	3,565,286
Excess of Revenues Over (Under) Expenditures	952,818	(1,004,301)	(712,277)
Other Financing Sources (Uses):			
Transfers In	0	63,262	0
Transfers Out	(589,134)	0	0
Total Other Financing Sources (Uses)	(589,134)	63,262	0
Net Change in Fund Balances	363,684	(941,039)	(712,277)
Fund Balances at Beginning of Year	17,230,672	2,715,162	6,240,529
Fund Balances at End of Year	\$17,594,356	\$1,774,123	\$5,528,252

See Accompanying Notes to the Basic Financial Statements

American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$2,909,759	\$7,842,299
0	0	7,818,924
0	12,126	12,126
0	1,609,136	4,790,383
0	43,822	46,494
0	265,909	481,454
172,615	8,886,273	17,412,247
0	60,327	60,327
0	11,407	1,467,386
0	28,237	98,288
0	200	3,800
0	962,030	1,634,788
172,615	14,789,226	41,668,516
172,615	659,609	6,116,111
0	288,445	3,454,224
0	0	276,773
0	1,308,004	8,854,129
0	95,249	7,035,242
0	2,950,118	3,048,603
0	9,845,270	13,891,979
0	197,662	285,662
0	307,760	307,760
0	0	23,165
0	0	1,519
172,615	15,652,117	43,295,167
0	(862,891)	(1,626,651)
0	525,872	589,134
0	0	(589,134)
0	525,872	0
0	(337,019)	(1,626,651)
0	9,014,411	35,200,774
\$0	\$8,677,392	\$33,574,123

PREBLE 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 (\$1,626,651)

*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/amortization expense.

In the current period, these amounts are:

Capital Outlay	3,887,007	
Depreciation/Amortization	(2,289,350)	
Excess of Capital Outlay over Depreciation Expense		1,597,657

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal.

Loss on Disposal of Capital Assets	(250,086)
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Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these consist of:

Lease Payable	23,165
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Some revenues that will not be collected for several months after the County's year-end are not considered "available" revenues and are therefore recorded as deferred inflows of resources in the governmental funds. Deferred inflows of resources changed by these amounts this year:

Property Taxes	(15,264)	
Fines, Forfeitures, and Settlements	(46,437)	
Intergovernmental	963,836	
Special Assessments	5,848	
Investment Earnings and Other Interest	18,292	
Total		926,275

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

Pension	2,019,613	
OPEB	23,188	
Total		2,042,801

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability (asset) are reported as pension expense in the Statement of Activities.

Pension	(2,373,521)	
OPEB	87,063	
Total		(2,286,458)

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 the governmental funds.

activities consist of:

Increase in Compensated Absences	(169,247)	
Increase in Compensated Time Payable	(54,877)	
Total		(224,124)

<i>Change in Net Position of Governmental Activities</i>	<u><u>\$202,579</u></u>
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See Accompanying Notes to the Basic Financial Statements

PREBLE COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$2,700,000	\$2,702,000	\$3,182,365	\$480,365
Permissive Sales Tax	7,301,185	7,300,000	7,775,127	475,127
Charges for Services	2,120,333	2,119,989	2,418,226	298,237
Licenses and Permits	1,730	1,730	2,672	942
Fines, Forfeitures, and Settlements	30,005	30,000	33,939	3,939
Intergovernmental	1,450,235	1,450,000	1,630,890	180,890
Interest	1,030,183	1,030,016	1,089,199	59,183
Gifts and Donations	0	0	3,600	3,600
Other	355,295	355,237	706,717	351,480
Total Revenues	14,988,966	14,988,972	16,842,735	1,853,763
Expenditures:				
Current:				
General Government:				
Legislative and Executive	5,906,518	6,114,559	5,526,967	587,592
Judicial	3,291,883	3,416,939	2,810,241	606,698
Public Safety	7,500,910	7,785,863	7,398,945	386,918
Health	97,304	101,000	98,485	2,515
Human Services	509,006	528,343	474,290	54,053
Community and Economic Development	84,779	88,000	88,000	0
Intergovernmental	269,192	279,418	276,773	2,645
Total Expenditures	17,659,592	18,314,122	16,673,701	1,640,421
Excess of Revenues Over (Under) Expenditures	(2,670,626)	(3,325,150)	169,034	3,494,184
Other Financing Sources (Uses):				
Advances In	27,410	27,406	27,406	0
Advances Out	0	0	(70,000)	(70,000)
Transfers - In	9,893	0	0	0
Transfers Out	(566,115)	(594,269)	(589,134)	5,135
Total Other Financing Sources (Uses)	(528,812)	(566,863)	(631,728)	(64,865)
Net Change in Fund Balance	(3,199,438)	(3,892,013)	(462,694)	3,429,319
Fund Balance at Beginning of Year	15,127,047	15,127,047	15,127,047	0
Fund Balance at End of Year	\$11,927,609	\$11,235,034	\$14,664,353	\$3,429,319

See Accompanying Notes to the Basic Financial Statements

PREBLE COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
MOTOR VEHICLE AND GAS TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for Services	\$650,000	\$650,000	\$355,357	(\$294,643)
Fines, Forfeitures, and Settlements	20,000	20,000	27,278	7,278
Intergovernmental	5,350,000	5,350,000	5,443,068	93,068
Interest	100,000	100,000	100,516	516
Total Revenues	6,120,000	6,120,000	5,926,219	(193,781)
Expenditures:				
Current:				
Public Works	7,932,871	7,932,871	6,969,112	963,759
Excess of Revenues Under Expenditures	(1,812,871)	(1,812,871)	(1,042,893)	769,978
Other Financing Sources:				
Transfers In	0	0	63,262	63,262
Net Change in Fund Balance	(1,812,871)	(1,812,871)	(979,631)	833,240
Fund Balance at Beginning of Year	1,924,003	1,924,003	1,924,003	0
Fund Balance at End of Year	\$111,132	\$111,132	\$944,372	\$833,240

See Accompanying Notes to the Basic Financial Statements

PREBLE COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
DEVELOPMENTAL DISABILITIES FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Property Taxes	\$1,668,400	\$1,670,000	\$1,786,066	\$116,066
Intergovernmental	932,927	931,599	934,887	3,288
Other	<u>190,772</u>	<u>190,500</u>	<u>60,900</u>	<u>(129,600)</u>
Total Revenues	2,792,099	2,792,099	2,781,853	(10,246)
Expenditures:				
Current:				
Human Services	<u>4,022,332</u>	<u>4,369,535</u>	<u>3,619,195</u>	<u>750,340</u>
Net Change in Fund Balance	(1,230,233)	(1,577,436)	(837,342)	740,094
Fund Balance at Beginning of Year	<u>6,157,888</u>	<u>6,157,888</u>	<u>6,157,888</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,927,655</u></u>	<u><u>\$4,580,452</u></u>	<u><u>\$5,320,546</u></u>	<u><u>\$740,094</u></u>

See Accompanying Notes to the Basic Financial Statements

PREBLE COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
General Government				
Legislative and Executive	<u>2,202,261</u>	<u>2,202,261</u>	<u>172,615</u>	<u>2,029,646</u>
Net Change in Fund Balance	(2,202,261)	(2,202,261)	(172,615)	2,029,646
Fund Balance at Beginning of Year	<u>2,202,261</u>	<u>2,202,261</u>	<u>2,202,261</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$2,029,646</u></u>	<u><u>\$2,029,646</u></u>

See Accompanying Notes to the Basic Financial Statements

PREBLE COUNTY, OHIO
STATEMENT OF FUND NET POSITION
ENTERPRISE FUNDS
DECEMBER 31, 2024

	Sewer Fund	Landfill Fund	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$790,765	\$10,997,988	\$11,788,753
Materials and Supplies	552	3,406	3,958
Accounts Receivable	97,952	262,478	360,430
Due from Other Governments	1,308,007	51,773	1,359,780
Total Current Assets	2,197,276	11,315,645	13,512,921
Non-current Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Trustee	0	3,747,891	3,747,891
Net Pension Asset	0	9,480	9,480
Net OPEB Asset	0	22,963	22,963
Nondepreciable Capital Assets	2,795,781	452,313	3,248,094
Depreciable Capital Assets, Net	1,423,231	7,941,825	9,365,056
Total Non-current Assets	4,219,012	12,174,472	16,393,484
Total Assets	6,416,288	23,490,117	29,906,405
Deferred Outflows of Resources:			
Pension	0	220,836	220,836
OPEB	0	20,459	20,459
Total Deferred Outflows of Resources	0	241,295	241,295
Liabilities:			
Current Liabilities:			
Accounts Payable	630	859,009	859,639
Contracts Payable	1,195,026	0	1,195,026
Accrued Salaries Payable	0	41,830	41,830
Payroll Taxes and Withholdings	0	15,718	15,718
Comp Time Payable	0	5,157	5,157
Retainage Payable	94,168	0	94,168
Due to Other Governments	0	63,916	63,916
Interfund Payable	857,406	0	857,406
Compensated Absences Payable	0	55,684	55,684
OWDA Loans Payable	60,743	0	60,743
OPWC Loans Payable	14,390	75,000	89,390
Total Current Liabilities	2,222,363	1,116,314	3,338,677
Long-Term Liabilities:			
OPWC Loans Payable	227,669	525,000	752,669
Compensated Absences Payable	0	109,908	109,908
Landfill Closure and Postclosure Costs	0	9,023,410	9,023,410
Net Pension Liability	0	674,151	674,151
Total Long-Term Liabilities	227,669	10,332,469	10,560,138
Total Liabilities	2,450,032	11,448,783	13,898,815
Deferred Inflows of Resources:			
Pension	0	2,001	2,001
OPEB	0	13,316	13,316
Total Deferred Inflows of Resources	0	15,317	15,317
Net Position:			
Net Investment in Capital Assets	2,627,016	7,794,138	10,421,154
Restricted for Pension/OPEB Plans	0	32,443	32,443
Unrestricted	1,339,240	4,440,731	5,779,971
Total Net Position	\$3,966,256	\$12,267,312	\$16,233,568

See Accompanying Notes to the Basic Financial Statements

PREBLE COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Sewer Fund</u>	<u>Landfill Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$172,498	\$4,466,814	\$4,639,312
Other	<u>0</u>	<u>20,028</u>	<u>20,028</u>
Total Operating Revenues	<u>172,498</u>	<u>4,486,842</u>	<u>4,659,340</u>
Operating Expenses:			
Personal Services	3,855	794,629	798,484
Contractual Services	48,019	851,189	899,208
Materials and Supplies	4,168	190,603	194,771
Depreciation	19,732	483,661	503,393
Closure and Postclosure Costs	0	525,434	525,434
Other	<u>4,862</u>	<u>127,217</u>	<u>132,079</u>
Total Operating Expenses	<u>80,636</u>	<u>2,972,733</u>	<u>3,053,369</u>
Operating Income	<u>91,862</u>	<u>1,514,109</u>	<u>1,605,971</u>
Non-Operating Revenues (Expenses):			
Investment Earnings and Other Interest	0	32,101	32,101
Intergovernmental	1,377,684	0	1,377,684
Interest	0	(27,428)	(27,428)
Loss on Disposal of Capital Assets	<u>0</u>	<u>(75,000)</u>	<u>(75,000)</u>
Total Non-Operating Revenues (Expenses)	<u>1,377,684</u>	<u>(70,327)</u>	<u>1,307,357</u>
Change in Net Position	<u>1,469,546</u>	<u>1,443,782</u>	<u>2,913,328</u>
Net Position at Beginning of Year as Previously Reported	2,496,710	10,935,943	13,432,653
Restatement from Change in Accounting Principles - See Note 3	<u>0</u>	<u>(112,413)</u>	<u>(112,413)</u>
Restated Net Position at Beginning of Year	<u>2,496,710</u>	<u>10,823,530</u>	<u>13,320,240</u>
Net Position at End of Year	<u><u>\$3,966,256</u></u>	<u><u>\$12,267,312</u></u>	<u><u>\$16,233,568</u></u>

See Accompanying Notes to the Basic Financial Statements

PREBLE COUNTY, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Sewer Fund</u>	<u>Landfill Fund</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$121,854	\$4,319,074	\$4,440,928
Cash Received from Other Operating Revenues	0	19,077	19,077
Cash Payments for Employee Services and Benefits	(3,855)	(748,185)	(752,040)
Cash Payments to Suppliers	(52,509)	(209,458)	(261,967)
Cash Payments for Other Operating Expenses	(4,862)	(117,614)	(122,476)
	<u>60,628</u>	<u>3,262,894</u>	<u>3,323,522</u>
Net Cash Provided by Operating Activities			
Cash Flows from Noncapital Financing Activities:			
Operating Grants	120,739	0	120,739
Advances In	70,000	0	70,000
	<u>190,739</u>	<u>0</u>	<u>190,739</u>
Net Cash Provided by for Noncapital Financing Activities			
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(201,928)	(839,762)	(1,041,690)
Loan Principal Payments	(34,639)	(75,000)	(109,639)
Bond Anticipation Note Payments	0	(1,270,000)	(1,270,000)
Bond Anticipation Note Interest Payments	0	(63,147)	(63,147)
	<u>(236,567)</u>	<u>(2,247,909)</u>	<u>(2,484,476)</u>
Net Cash Used for Capital and Related Financing Activities			
Cash Flows from Investing Activities:			
Investment Earnings and Other Interest	0	32,101	32,101
	<u>0</u>	<u>32,101</u>	<u>32,101</u>
Net Increase in Cash and Cash Equivalents	14,800	1,047,086	1,061,886
Cash and Cash Equivalents at Beginning of Year	775,965	13,698,793	14,474,758
	<u>775,965</u>	<u>13,698,793</u>	<u>14,474,758</u>
Cash and Cash Equivalents at End of Year	<u>\$790,765</u>	<u>\$14,745,879</u>	<u>\$15,536,644</u>

(continued)

See Accompanying Notes to the Basic Financial Statements

PREBLE COUNTY, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)

	Enterprise Funds		
	Sewer Fund	Landfill Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$91,862	\$1,514,109	\$1,605,971
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	19,732	483,661	503,393
Landfill Closure and Postclosure Costs	0	525,434	525,434
Decrease (Increase) in Assets:			
Accounts Receivable	(31,831)	(137,260)	(169,091)
Due from Other Governments	(18,813)	(11,431)	(30,244)
Materials and Supplies Inventory	(552)	(497)	(1,049)
Net Pension Asset	0	63,035	63,035
Deferred Outflows - Pension	0	74,755	74,755
Deferred Outflows - OPEB	0	24,391	24,391
Increase (Decrease) in Liabilities:			
Accounts Payable	230	826,034	826,264
Accrued Salaries Payable	0	11,560	11,560
Due to Other Governments	0	16,792	16,792
Compensated Absences Payable	0	19,950	19,950
Comp Time Payable	0	5,157	5,157
Payroll Taxes and Withholdings	0	(556)	(556)
Net Pension Liability	0	830	830
Net OPEB Liability	0	4,297	4,297
Deferred Inflows - Pension	0	(125,096)	(125,096)
Deferred Inflows - OPEB	0	(32,271)	(32,271)
Net Cash Provided by Operating Activities	<u>\$60,628</u>	<u>\$3,262,894</u>	<u>\$3,323,522</u>

Noncash Capital Financing Activities:

During 2024, the Sewer Fund acquired capital assets through contracts payable in the amount of \$1,195,026 and retainage payable in the amount of \$94,168.

During 2023, the Sewer Fund acquired capital assets through contracts payable in the amount of \$48,172.

See Accompanying Notes to the Basic Financial Statements

PREBLE COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2024

	Custodial Funds
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$2,477,804
Cash and Cash Equivalents in Segregated Accounts	742,093
Receivables:	
Property Taxes	42,844,191
Accounts	315,663
Special Assessments	448,363
Due from Other Governments	2,716,288
	<hr/>
Total Assets	49,544,402
	<hr/>
Liabilities:	
Accounts Payable	27,522
Accrued Salaries Payable	67,124
Due to Other Governments	4,308,760
Payroll Taxes and Withholdings	25,228
	<hr/>
Total Liabilities	4,428,634
	<hr/>
Deferred Inflows of Resources:	
Property Taxes not Levied to Finance Current Year Operations	40,573,782
	<hr/>
Net Position:	
Restricted for Individuals, Organizations and Other Governments	\$4,541,986
	<hr/> <hr/>

See Accompanying Notes to the Basic Financial Statements

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

	Custodial Funds
Additions:	
Intergovernmental	\$4,556,135
Amounts Received as Fiscal Agent	2,005,517
Licenses and Permits and Fees for Other Governments	165,638
Fines and Forfeitures for Other Governments	6,768,830
Property Tax Collections for Other Governments	43,585,166
Special Assessment Collections for Other Governments	600,000
	<hr/>
Total Additions	57,681,286
	<hr/>
Deductions:	
Distributions as Fiscal Agent	1,857,609
Distributions of State Funds to Other Governments	4,535,355
Distributions to the State of Ohio	6,515,076
Property Tax Distributions to Other Governments	43,736,062
Licenses and Permits and Fees Distributions to Other Governments	4,430
Fines and Forfeitures Distributions to Other Governments	402,886
Distributions to Individuals	667,141
	<hr/>
Total Deductions	57,718,559
	<hr/>
Change in Fiduciary Net Position	(37,273)
Net Position Beginning of Year	4,579,259
	<hr/>
Net Position End of Year	\$4,541,986
	<hr/> <hr/>

See Accompanying Notes to the Basic Financial Statements

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

Note 1 – Description of the County and Reporting Entity

Preble County, Ohio (the “County”), was formed by an Act of the Ohio General Assembly in 1808. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff, a Common Pleas Court-Domestic Relations Court Judge and a Juvenile Court-Probate Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budgeting and taxing authority, contracting body and the chief administrators of public services for the County, including each of these departments.

Reporting Entity

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this includes the Preble County Board of Developmental Disabilities, the Preble County Community Development, the Children Services Board, and the departments and activities that are directly operated by the elected County officials. The County also operates and maintains a wastewater treatment system and landfill.

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

Discretely Presented Component Unit

The component unit column in the entity-wide financial statements identify the financial data of the County's discretely presented component unit, the Preble County Land Reutilization Corporation. It is reported separately to emphasize that it is legally separate from the County.

The Preble County Land Reutilization Corporation (Corporation) is a legally separate not for profit organization, created under Ohio Revised Code Section 5722 and Chapter 1724 on April 16, 2018. The purpose of the Corporation is to facilitate the effective reutilization of nonproductive land situated within the Preble County (County) boundaries. The Corporation has been designated as the County's agent for reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed or other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Corporation will assist and facilitate activities of governmental entities in clearing, assembling, and clearing title to land for economic development purposes.

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

The Corporation is governed by a seven-member Board of Directors, consisting of two County Commissioners, the County Treasurer, one representative from the municipal corporation with the largest population (Eaton), one representative from a Preble County Township, a Preble County Realtor and the Preble County Economic Director. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the Corporation and the management and control of its properties. The Treasurer, two of the three County Commissioners, the Municipal Representative and the Township Representative are ex-officio directors. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The terms of office of the two remaining appointed directors are two years apiece.

The County participates in six organizations, two of which are defined as related organizations, one is a joint venture, one is a jointly governed organization, one is a risk sharing pool, and one is a group purchasing pool. These organizations are presented in Notes 20, 21, 22, 23, and 24 of the basic financial statements. These organizations are:

Related Organizations:

Preble County Library Board
Preble Metropolitan Housing Authority

Joint Venture:

Preble County Emergency Management Agency

Jointly Governed Organization:

West Central Ohio Network

Risk Sharing Pool:

County Risk Sharing Authority, Inc.

Group Purchasing Pool:

County Commissioners' Association of Ohio Service Corporation

Note 2 - Summary of Significant Accounting Policies

The financial statements of Preble 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 principles. The more 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.

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

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 the County's fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature 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. 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 segment 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. Fiduciary funds are reported by type.

Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions 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 purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

General Fund - This fund accounts for and reports 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.

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

Motor Vehicle and Gas Tax Fund - This fund is used to account for and report restricted revenues derived from motor vehicle licenses, gasoline taxes and interest. Expenditures in this fund are restricted by State law to County road and bridge repairs and improvement programs.

Developmental Disabilities Fund - This fund is used to account for and report restricted monies received from a County-wide property tax levy and State grants and reimbursements used to provide services and care for citizens with developmental disabilities.

American Rescue Plan Fund – This fund is used to account for and report monies received from the federal American Rescue Plan Act, whose use is restricted for local Coronavirus relief.

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

Proprietary Funds

Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows. The County has two enterprise funds.

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

Sewer Fund - This fund is used to account for the provision of sanitary sewer service provided to residents and businesses of the County.

Landfill Fund - This fund is used to account for fees collected by the waste disposal department for the dumping of waste. The costs of providing the services are financed primarily through these fees and user charges.

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. The three types of trust funds should be used to report resources held and administered by the reporting government when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's custodial funds account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, State-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

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

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, 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 and deferred outflows of resources and 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, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The Statement of Cash Flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for proprietary and fiduciary funds are prepared using 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, in 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 the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined and “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 60 days of year-end.

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Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales tax, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 6) Revenue from permissive sales tax is recognized in the period in which the sales occur. (See Note 8) 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: permissive sales tax, charges for services, interest, federal and State subsidies and grants, and State-levied locally shared taxes.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. Deferred outflows are also presented on the Enterprise Funds Statement of Fund Net Position. The deferred outflows of resources related to pension and OPEB plans are explained in Note 12 and 13.

In addition to liabilities, the statements of financial position 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, pension, OPEB, leases and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. 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, accounts, intergovernmental grants, special assessments, and interest. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 20. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13).

Expenses/Expenditures

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

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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.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The County recognizes unearned revenue for intergovernmental revenue received before the eligibility requirements are met.

Cash and Cash Equivalents

To improve cash management, cash received by the County, except cash held in segregated accounts or with a fiscal agent, is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Cash and cash equivalents that are held separately within departments of the County and not held by the County Treasurer are recorded on the financial statements as "Cash and Cash Equivalents in Segregated Accounts."

Cash and cash equivalents that are held in a trustee capacity for financial assurance of the landfill closure and postclosure care liabilities are recorded on the financial statements as "Restricted Assets: Cash and Cash Equivalents with Trustee."

During 2024, the County invested in STAR Ohio, a Money Market Mutual Fund, Commercial Paper, a Corporate Bond, federal agency securities, municipal bonds, Negotiable Certificates of Deposit, and US Treasury Notes. Exempt for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. The County's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

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

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

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Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the general fund during 2024 amounted to \$1,351,772 which includes \$896,096 assigned from other County funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “Interfund Receivables/Payable.” Interfund balances are eliminated on the government-wide Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as “Internal Balances.”

Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption. On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditures/expenses when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund includes unclaimed monies legally required to be maintained until the end of a five-year holding period. Restricted assets in the enterprise funds represent cash and cash equivalents which have been set aside to satisfy the Ohio Environmental Protection Agency’s guidelines related to landfill closure and post-closure costs. Restricted assets in the enterprise fund represents amounts held in trust by the pension and OPEB plans for future benefit.

Capital Assets

General capital assets are capital assets that are associated with and generally arise from governmental activities. They generally result from disbursements in governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

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All capital assets (except for intangible right to use lease assets which are discussed below) are capitalized at cost (or estimated historical cost), which is determined by indexing the current replacement costs back to the year of acquisition and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition values on the date received. The County maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets, except land and construction in progress, are depreciated. 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 replacements. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings, Structures and Improvements	10-50 years
Furniture, Fixtures, and Equipment	5-20 years
Infrastructure, Sewer Lines, Manholes, Landfill Lines, and Landfill Improvements	10-50 years

The County is reporting intangible right to use assets related to lease assets. The lease assets include buildings and represents nonfinancial assets which are being utilized for a period of time through leases from another entity. These intangible right to use are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

The County's infrastructure system consists of guardrails, ditches, roads, bridges, sewer lines, manholes and landfill improvements. The County's governmental infrastructure consists only of assets acquired after June 30, 1980. Enterprise funds' infrastructure consists of assets acquired after January 1, 2005, the first year the County constructed the assets.

Compensated Absences

For the County, compensated absences includes leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The County does not offer noncash settlements. The County uses a first-in first-out flow assumption for compensated absences.

Liabilities should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates and is allowed to be carried over to subsequent years, and the leave is more likely than not to be used for time off or otherwise paid in cash. For the County, this leave includes sick and vacation time. However, the County also has certain compensated absences that are dependent upon the occurrence of a sporadic event that affects a relatively small proportion of employees. A liability for these types of leave is recognized when the leave commences. For the County this type of leave includes bereavement leave, military leave, personal leave, on-the-job injury leave, disability, family and medical leave, and court leave. Holiday leave taken on a specific date, not at the discretion of the employee is recognized as a liability when used. The liability for compensated absences includes salary related payments.

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Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is more likely than not that the employer will compensate the employees for the benefits through paid time off or will settle the benefits at separation. The County records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

Compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is more likely than not that the employer will compensate the employees for the benefits through paid time off or will settle the benefits at separation. The County records a liability for all accumulated unused compensatory time when earned for all employees. Compensatory time is recorded as "compensated time payable" on the statement of net position rather than as a long-term liability.

Liabilities for compensated absences are recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

Accrued Liabilities and Long-Term Obligations

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

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 classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be

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converted to cash. Nonspendable fund balance in the general fund includes unclaimed monies legally required to be maintained until the end of a five-year holding period offset by any estimated liability for payments to claimants.

Restricted – The restricted fund balance classification includes amounts that have constraints placed on the use of resources that 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 formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the Commissioners change the specified use by taking the same type of action (resolution) it employed to commit these amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been committed for use in satisfying those contractual requirements.

Assigned – The assigned fund balance classification is 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 amounts represent intended uses established by the County Commissioners or a County Official delegated that authority by resolution or State Statute. State statute authorizes the county auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The assigned fund balance for future appropriations in the General Fund represents 2025 appropriations that exceed estimated resources. The Permanent Improvement fund has an assigned fund balance because it is only supported by transfers from the General Fund.

Unassigned – The unassigned fund balance classification is intended for the General Fund and includes all spendable amounts not contained in the other classifications. In nonmajor governmental funds, the unassigned fund balance classification is used only to report a deficit fund balance.

The County has not adopted a formal fund balance policy.

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. 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 either through the external restrictions imposed by creditors, grantors or laws or regulations of other governments. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

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Restricted Net Position for Pension and OPEB plans represent the corresponding restricted asset amounts held in trust by the pension and OPEB plans for future benefits.

Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of budgetary control is at the object level (personal services, materials and supplies, contractual services, capital purchases, and other) within each department and fund. Budgetary modifications may only be made by resolution of the County Commissioners.

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

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

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Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for sewer services and waste disposal. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of these funds. Revenues and expenses that do not meet these definitions are reported as non-operating.

Estimates

The preparation of 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.

Monsanto Settlement Monies

During 2023, Ohio reached a settlement agreement with Monsanto. As a participating subdivision, the County received a settlement payment of \$247,527 during 2024. This amount is reflected as miscellaneous revenue in the OneOhio Opioid Nonmajor Special Revenue Fund in the accompanying financial statements.

Leases

The County serves as both lessee and lessor in various noncancellable leases which are accounted for as follows:

Lessee At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the useful life of the underlying asset. Lease assets are reported with depreciable capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Note 3 – Change in Accounting Principles and Restatement of Net Position

For 2024, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, and related guidance from GASB Implementation Guide No. 2023-1, Implementation Guidance Update — 2023. The County also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, Implementation Guidance Update — 2021 and GASB Statement No. 101, Compensated Absences.

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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.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The County reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and GASB Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning net position/fund balance.

GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The effects of implementing the GASB pronouncement is shown in the table below.

Restatement of Fund Net Position

For the County, GASB Statement No. 101 increased the compensated absences liability and the cumulative effects of compensated absence related expense on beginning net position as shown on the following table.

	12/31/2023 As Previously Reported	Change in Accounting Principles GASB 101	12/31/2023 As Restated
Government-Wide			
Governmental Activities	\$72,525,479	(\$2,395,894)	\$70,129,585
Business-Type Activities	13,432,653	(112,413)	13,320,240
Total Primary Government	<u>\$85,958,132</u>	<u>(\$2,508,307)</u>	<u>\$83,449,825</u>
Governmental Funds			
Major Funds:			
General Fund	\$17,230,672	\$0	\$17,230,672
Motor Vehicle and Gas Tax Fund	2,715,162	0	2,715,162
Developmental Disabilities Fund	6,240,529	0	6,240,529
All Other Governmental Funds	9,014,411	0	9,014,411
Total Governmental Funds	<u>\$35,200,774</u>	<u>\$0</u>	<u>\$35,200,774</u>
Proprietary Funds			
Enterprise Funds:			
Sewer Fund	\$2,496,710	\$0	\$2,496,710
Landfill Fund	10,935,943	(112,413)	10,823,530
Enterprise Funds Total	<u>13,432,653</u>	<u>(112,413)</u>	<u>13,320,240</u>
Total Business-Type Net Position	<u>\$13,432,653</u>	<u>(\$112,413)</u>	<u>\$13,320,240</u>

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Note 4 – Budgetary Basis of Accounting

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) is presented for the General Fund and the Motor Vehicle and Gas Tax, Developmental Disabilities, and American Rescue Plan Special Revenue Funds to provide a meaningful comparison of actual results. The differences between the budgetary basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
4. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
5. Investments are reported at fair value (GAAP basis) rather than at cost (budget basis).
6. Budgetary revenues and expenditures of the Certificate of Title Administration Revenue Fund are classified to the General Fund for GAAP Reporting.
7. Cash that is held by the custodial funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate County funds.

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

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Net Change in Fund Balance

	General Fund	Motor Vehicle and Gas Tax Fund	Developmental Disabilities Fund	American Rescue Plan Fund
GAAP Basis	\$363,684	(\$941,039)	(\$712,277)	\$0
Revenue Accruals	(837,322)	(12,279)	(241,753)	(172,615)
Expenditure Accruals	359,929	(29,119)	(53,909)	0
Advances	(42,594)	0	0	0
Unrecorded Cash - 2024	(31,225)	(3,691)	0	0
Unrecorded Cash - 2023	106,680	0	0	0
WestCON Activity	0	0	151,048	0
Custodial Fund Cash				
Allocation - 2024	(245,790)	(92,030)	(99,620)	0
Custodial Fund Cash				
Allocation - 2023	266,227	98,527	119,169	0
Segregated Accounts				
From Cash Off Books - 2024	(570,926)	0	0	0
Segregated Accounts				
From Cash Off Books - 2023	528,325	0	0	0
Change in Fair Value				
of Cash Equivalents - 2024	761,647	0	0	0
Change in Fair Value				
of Cash Equivalents - 2023	(1,052,855)	0	0	0
Excess of revenues over expenditures for Title				
Administration Fund	(68,474)	0	0	0
Budget Basis	<u>(\$462,694)</u>	<u>(\$979,631)</u>	<u>(\$837,342)</u>	<u>(\$172,615)</u>

Note 5 - Deposits and Investments

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

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

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

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

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11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

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

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

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

Investments

As of December 31, 2024, the County had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Moody's Ratings	Percent of Total Investments
Net Asset Value Per Share:				
STAROhio	\$7,206,713	Less than one year	AAAm	N/A
Fair Value - Level One Inputs:				
Money Market Mutual Fund	42,763	Less than one year	Aaa-mf	N/A
Fair Value - Level Two Inputs:				
Commercial Paper	2,574,108	Less than one year	P-1	6.25%
Corporate Bond	4,271,247	Less than four years	A1-Aaa	10.37%
Federal Agricultural Mortgage Corporation Notes	643,880	Less than four years	N/A	N/A
Federal Home Loan Bank Notes	3,228,787	Less than three years	Aaa	7.84%
Federal Home Loan Mortgage Corporation Notes	947,026	Less than five years	Aaa	N/A
Federal Farm Credit Bureau Notes	7,816,966	Less than five years	Aaa	18.98%
Federal National Mortgage Association Notes	727,333	Less than one year	Aaa	N/A
Municipal Bonds	728,393	Less than one year	Aaa	N/A
Negotiable Certificates of Deposit	3,948,994	Less than five years	Aaa	9.59%
Tennessee Valley Authority Bond	641,238	Less than four years	Aaa	N/A
US Treasury Notes	8,406,381	Less than five years	Aaa	20.41%
Total Fair Value - Level Two Inputs	33,934,353			
Total Investments	\$41,183,829			

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The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above charge identifies the County's recurring fair value measurements as of December 31, 2024. The money market mutual fund is measured at fair value and is valued using quoted market prices (Level 1 inputs). The County's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bid, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk – The County has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk – STAROhio and the money market mutual fund ratings are shown in the previous table. The County has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized statistical rating organization and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization.

Concentration of Credit Risk – The County places no limit on the amount it may invest in any one issuer.

Note 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2024 for real and public utility property taxes represents collections of 2023 taxes. 2024 real property taxes were levied after October 1, 2024, on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are collected in and intended to finance 2025.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2024, was \$9.23 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:

PREBLE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Category	Assessed Value
Real Property	
Residential/Agricultural	\$1,138,492,020
Commercial/Industrial/Public Utility	116,739,380
Public Personal	69,948,060
Totals	<u>\$1,325,179,460</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. The amount of the County's tax collections is accounted for within the applicable funds. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which were measurable as of December 31, 2024, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2024 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Note 7 – Tax Abatements

As of December 31, 2024, the County's property taxes were reduced by a Community Reinvestment Area enacted by the Village of Lewisburg. The amount of taxes abated for 2024 was \$255,351. Eaton Corporation also had taxes abated in the amount of \$31,496.

Note 8 – Permissive Sales Tax

In accordance with Sections 5739.021 and 5741.021 of the Revised Code, the County Commissioners, by resolution, imposed a 1.5 percent continuing tax on all retail sales made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within 45 days after the end of each month. The Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

Proceeds of the tax are credited entirely to the General Fund.

Note 9 – Receivables

Receivables at December 31, 2024, consisted of taxes, accounts (billings for user charged services), special assessments, interest on investments, interfund amounts, leases, and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, special assessments and leases. Sewer charges receivable, if delinquent, may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

Special assessments expected to be collected in more than one year for the County amount to \$62,864. The County had \$1,782 of delinquent special assessments at December 31, 2024.

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One Ohio Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the County reported \$564,939 as a receivable related to opioid settlement monies in the OneOhio Opioid Nonmajor Special Revenue Fund in the accompanying financial statements. Collections of these settlement monies are expected to extend through 2038 with \$893,982 not expected to be collected within one year of the date of the financial statements.

A summary of intergovernmental receivables follows:

	Amount
<u>Governmental Activities:</u>	
Local Government	\$280,638
Homestead and Rollback	495,261
Gasoline Cents Per Gallon	350,483
Gasoline Excise Tax	1,539,992
Auto License	748,075
Human Services Grant	267,975
Mental Health Grant	305,634
Children Services Grant	103,462
CDBG Grant	540,400
Reclaim Ohio Youth Services Grant	71,906
Homeland Security Grant	245,787
Other Government Entities	95,640
Total Governmental Activities	<u>5,045,253</u>
<u>Business-Type Activities:</u>	
Wastewater Infrastructure Grant	1,289,194
Litter Management Grant	40,342
Other Government Entities	30,244
Total Business-Type Activities	<u>1,359,780</u>
 Total Intergovernmental Receivables	 <u>\$6,405,033</u>

The County is reporting leases receivable of \$608,926 in the General Fund and \$19,986 in the Community Mental Health Board fund at December 31, 2024. These amounts represent the discounted future lease payments. This discount is being amortized using the interest method. For 2024, the County recognized lease revenue of \$70,051 and interest revenue of \$14,621 in the General Fund and recognized lease revenue of \$28,237 and interest revenue of \$1,085 in the Community Mental Health Board Fund related to lease payments received. A description of the County's leasing arrangement is as follows:

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Company	Lease Commencement Date	Years	Lease Ending Date	Payment Method
American Tower	2004	55	2059	Monthly
Cocoyoo Agency	2022	2	2024	Monthly
The Driving School	2020	6	2026	Monthly
Ohio Department of Public Safety	2013	12	2025	Monthly
Reid Home Health	2019	6	2025	Monthly
Shelter Mutual Insurance Company	2019	6	2025	Monthly
Valerie Sargent-Wood	2022	5	2027	Monthly
Blake Anspaugh	2023	3	2025	Semi-Annual
Big S Farm	2023	3	2025	Semi-Annual
Logan Deeter	2023	3	2025	Semi-Annual
Mark Renner	2023	3	2025	Semi-Annual
Brittany Stearman	2023	13 months	2024	Monthly

A summary of future lease revenue is as follows:

	General		Community Mental Health Board	
Year	Principal	Interest	Principal	Interest
2025	\$66,147	\$12,380	\$14,154	\$366
2026	7,217	10,862	3,462	138
2027	3,724	10,758	2,370	29
2028	3,799	10,683	0	0
2029	4,239	10,605	0	0
2030-2034	32,470	51,217	0	0
2035-2039	49,102	47,138	0	0
2040-2044	69,474	41,202	0	0
2045-2049	94,279	32,998	0	0
2050-2054	124,329	22,040	0	0
2055-2059	154,146	7,758	0	0
	<u>\$608,926</u>	<u>\$257,641</u>	<u>\$19,986</u>	<u>\$533</u>

Note 10 - Capital Assets

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

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	Balance at 12/31/2023	Additions	Deletions	Balance at 12/31/2024
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$2,935,317	\$0	\$0	\$2,935,317
Construction in Progress	300,000	187,680	(472,700)	14,980
Total Capital Assets, Not Being Depreciated	3,235,317	187,680	(472,700)	2,950,297
Depreciable Capital Assets:				
Tangible Assets:				
Buildings, Structures, and Improvements	14,484,156	283,197	0	14,767,353
Furniture, Fixtures, and Equipment	15,274,362	1,169,190	(103,830)	16,339,722
Infrastructure	49,096,203	2,719,640	(470,489)	51,345,354
Total Tangible Assets:	78,854,721	4,172,027	(574,319)	82,452,429
Intangible Right to Use:				
Leased Assets:				
Building	101,430	0	0	101,430
Total Depreciable Capital Assets	78,956,151	4,172,027	(574,319)	82,553,859
Depreciation:				
Buildings, Structures, and Improvements	(5,987,287)	(169,254)	0	(6,156,541)
Furniture, Fixtures, and Equipment	(11,734,297)	(603,552)	103,830	(12,234,019)
Infrastructure	(17,223,266)	(1,493,579)	220,403	(18,496,442)
Total Depreciation	(34,944,850)	(2,266,385)	324,233	(36,887,002)
Amortization:				
Intangible Right to Use:				
Leased Assets:				
Building	(45,704)	(22,965)	0	(68,669)
Total Accumulated Depreciation/Amortization	(34,990,554)	(2,289,350) *	324,233	(36,955,671)
Depreciable Capital Assets, Net	43,965,597	1,882,677	(250,086)	45,598,188
Governmental Activities Capital Assets, Net	\$47,200,914	\$2,070,357	(\$722,786)	\$48,548,485

* Depreciation expense was charged to governmental programs as follows:

	Depreciation	Amortization	Total
General Government:			
Legislative and Executive	\$158,156	\$0	\$158,156
Judicial	9,636	0	9,636
Public Safety	244,205	0	244,205
Public Works	1,778,003	0	1,778,003
Health	9,863	0	9,863
Human Services	66,522	22,965	89,487
Total Depreciation Expense	\$2,266,385	\$22,965	\$2,289,350

Capital assets activity of the business-type activities for the year ended December 31, 2024, was as follows:

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	Balance at 12/31/2023	Additions	Deletions	Balance at 12/31/2024
<u>Business-Type Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$547,077	\$0	\$0	\$547,077
Construction in Progress	1,258,067	1,442,950	0	2,701,017
Total Capital Assets, Not Being Depreciated	1,805,144	1,442,950	0	3,248,094
Depreciable Capital Assets:				
Buildings, Structures, and Improvements	3,356,671	0	0	3,356,671
Furniture, Fixtures, and Equipment	5,320,265	839,762	(75,000)	6,085,027
Sewer Lines and Manholes	650,933	0	0	650,933
Landfill Lines	372,499	0	0	372,499
Landfill Improvements	4,845,408	0	0	4,845,408
Total Depreciable Capital Assets	14,545,776	839,762	(75,000)	15,310,538
Depreciation:				
Buildings, Structures, and Improvements	(1,234,180)	(54,071)	0	(1,288,251)
Furniture, Fixtures, and Equipment	(3,099,703)	(297,744)	0	(3,397,447)
Sewer Lines and Manholes	(118,008)	(6,509)	0	(124,517)
Landfill Lines	(40,975)	(3,725)	0	(44,700)
Landfill Improvements	(949,223)	(141,344)	0	(1,090,567)
Total Accumulated Depreciation/Amortization	(5,442,089)	(503,393)	0	(5,945,482)
Depreciable Capital Assets, Net	9,103,687	336,369	(75,000)	9,365,056
Business-Type Activities Capital Assets, Net	<u>\$10,908,831</u>	<u>\$1,779,319</u>	<u>(\$75,000)</u>	<u>\$12,613,150</u>

Note 11 - Risk Management

Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains comprehensive insurance coverage with the County Risk Sharing Authority, Inc. (CORSA), a risk sharing pool (see Note 23), for liability, property, auto, and crime insurance.

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in coverage from the prior year. The County pays all elected officials' bonds by statute.

Workers' Compensation

For 2024, the County participated in the County Commissioners' Association of Ohio Service Corporation (the Plan), a group purchasing pool (see Note 24). The plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than the individual rate.

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In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, annually the Plan's executive committee calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from, or pays rate equalization rebates to the various participants. Participation in the plan is limited to counties that can meet the Plan's selection criteria.

The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

The County may withdraw from the Plan if written notice is provided 60 days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and a participant leaving the Plan allows a representative of the Plan to assess loss experience for three years following the last year of participation.

Note 12 - Defined Benefit Pension Plans

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

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period

PREBLE COUNTY, OHIO
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exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable*. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – County employees, other than certified teachers, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan, as approved by the legislature in House Bill 33. The Traditional Pension Plan includes members of the legacy Combined Plan, a hybrid defined benefit/defined contribution plan which was closed to new members effective January 1, 2022. New members are no longer able to select the Combined Plan and current members are no longer able to make a plan change to the Combined Plan. The Combined Plan was consolidated into the Traditional Pension Plan effective January 1, 2024, as a separate division. No changes were made to the benefit design features of the Combined Plan as part of this consolidation so that members in this plan will experience no changes. The County's 2024 net pension liability (asset) for OPERS is measured as of December 31, 2023, and reflects the Traditional Plan and the Combined Plan as two separate plans. The County's 2025 financial statements will reflect the effects of the Combined Plan being consolidated into the Traditional Pension Plan. Participating employers are divided into state, local, law enforcement and public safety divisions. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member

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groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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

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

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

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

	State and Local		Law	
	Traditional	Combined	Enforcement	
2024 Statutory Maximum Contribution				
Rates Employer	14.0 %	14.0 %	18.1 %	
Employee *	10.0 %	10.0 %	**	
2024 Actual Contribution Rates				
Employer:				
Pension ***	14.0 %	12.0 %	18.1 %	
Post-employment Health Care Benefits ***	0.0	2.0	0.0	
Total Employer	14.0 %	14.0 %	18.1 %	
Employee	10.0 %	10.0 %	13.0 %	

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

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

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

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

For 2024, the County's contractually required contribution was \$2,026,112 for the traditional plan, \$59,357 for the combined plan and \$46,110 for the member-directed plan. Of these amounts, \$273,872 is reported as an intergovernmental payable for the traditional plan, \$6,107 for the combined plan, and \$4,749 for the member-directed plan.

Pension Liabilities, 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, 2023, and the total pension liability 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 (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the County's defined benefit pension plans:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.08154230%	0.09764860%	
Prior Measurement Date	<u>0.08025600%</u>	<u>0.09965310%</u>	
Change in Proportionate Share	<u>(0.00128630%)</u>	<u>(0.00200450%)</u>	
Proportionate Share of the:			
Net Pension (Asset)	\$0	(\$300,154)	(\$300,154)
Net Pension Liability	21,348,110	0	21,348,110
 Pension Expense	 2,429,165	 23,736	 2,452,901

2024 pension expense for the member-directed defined contribution plan was \$46,110. The aggregate pension expense for all pension plans was \$2,499,011 for 2024.

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

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	OPERS Traditional Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$348,917	\$12,163	\$361,080
Changes of assumptions	0	11,140	11,140
Net difference between projected and actual earnings on pension plan investment:	4,308,959	48,818	4,357,777
Changes in proportion and differences between County contributions and proportionate share of contributions	150,322	27,665	177,987
County contributions subsequent to the measurement date	2,026,112	59,357	2,085,469
Total Deferred Outflows of Resources	<u>\$6,834,310</u>	<u>\$159,143</u>	<u>\$6,993,453</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$0	\$29,689	\$29,689
Changes in proportion and differences between County contributions and proportionate share of contributions	46,316	16,435	62,751
Total Deferred Inflows of Resources	<u>\$46,316</u>	<u>\$46,124</u>	<u>\$92,440</u>

\$2,085,469 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a, increase of the net pension liability or reduction to the net pension asset in 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 Plan	OPERS Combined Plan	Total
Year Ending December 31:			
2025	\$1,135,133	\$9,441	\$1,144,574
2026	1,490,594	15,420	1,506,014
2027	2,749,736	30,257	2,779,993
2028	(613,581)	(7,164)	(620,745)
2029	0	1,086	1,086
Thereafter	0	4,622	4,622
Total	<u>\$4,761,882</u>	<u>\$53,662</u>	<u>\$4,815,544</u>

Actuarial Assumptions - OPERS

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

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Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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

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

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percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

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

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$33,607,659	\$21,348,110	\$11,151,725
OPERS Combined Plan	(181,626)	(300,154)	(393,524)

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Note 13 – Defined Benefit OPEB Plans

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

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

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

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

Group A 30 years of qualified health care service credit;

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

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

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

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

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

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

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

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

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

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

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

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through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$23,944 for 2024. Of this amount, \$1,018 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the

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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:	
Current Measurement Date	0.08056855%
Prior Measurement Date	<u>0.07970215%</u>
Change in Proportionate Share	<u>(0.00086640%)</u>
 Proportionate Share of the Net OPEB Liability	 (\$727,155)
 OPEB Expense	 (\$89,890)

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:	
Changes of assumptions	\$187,205
Net difference between projected and actual earnings on pension plan investments	436,696
County contributions subsequent to the measurement date	<u>23,944</u>
Total Deferred Outflows of Resources	<u>\$647,845</u>
 Deferred Inflows of Resources:	
Differences between expected and actual experience	\$103,494
Changes of assumptions	312,581
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>5,806</u>
Total Deferred Inflows of Resources	<u>\$421,881</u>

\$23,944 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 an increase of the net OPEB asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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	<u>OPERS</u>
Year Ending December 31:	
2025	(\$22,320)
2026	31,866
2027	339,929
2028	<u>(147,455)</u>
Total	<u><u>\$202,020</u></u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

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

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans

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are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

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

Discount Rate A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. (Fidelity Index's "20-Year Municipal GO AA Index") The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
County's proportionate share of the net OPEB liability/(asset)	\$399,620	(\$727,155)	(\$1,660,518)

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	(\$757,344)	(\$727,155)	(\$692,890)

Note 14 - Other Employee Benefits

Deferred Compensation Plan

County employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan is created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency. Plan assets belong to the individual employees, and the County has no responsibility for the plan assets.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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Insurance

Medical insurance coverage for employees is provided by Anthem Blue Cross Blue Shield. Life insurance is provided by Anthem Life. Dental coverage for employees is provided by Delta Dental. Elected officials and county employees pay 17 percent of all insurance premiums.

Note 15 – Asset Retirement Obligations

The Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the County would be responsible to address any public safety issues associated with their waste water treatment facilities. Any ARO associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

Note 16 - Short-Term Obligations

Changes in the short-term obligations during 2024 were as follows:

<u>Fund Type/Fund/Issue</u>	<u>Interest Rate</u>	<u>Balance at 12/31/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at 12/31/2024</u>
<u>Business-Type Activities:</u>					
Landfill Bond Anticipation Note 2023	5.00%	\$1,270,000	\$0	\$1,270,000	\$0
Premium		10,909	0	10,909	0
Total Business-Type Funds		<u>\$1,280,909</u>	<u>\$0</u>	<u>\$1,280,909</u>	<u>\$0</u>

All of the notes are backed by the full faith and credit of the County and matured within one year. The Landfill Bond Anticipation Note 2023 was paid off in 2024.

Note 17 - Long-Term Obligations

The schedule of changes in long-term obligations of the governmental activities of the County during 2024 follows:

<u>Types / Issues</u>	<u>Restated Balance at 12/31/2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at 12/31/2024</u>	<u>Due Within One Year</u>
<u>Other Long-Term Obligations:</u>					
Net Pension Liability - OPERS	\$22,958,996	\$0	\$2,285,037	\$20,673,959	\$0
Net OPEB Liability - OPERS	486,664	0	486,664	0	0
Compensated Absences Payable	3,313,808	169,247	0	3,483,055	1,381,157
Leases Payable	57,296	0	23,165	34,131	23,929
Total - General Long-Term Obligations	<u>\$26,816,764</u>	<u>\$169,247</u>	<u>\$2,794,866</u>	<u>\$24,191,145</u>	<u>\$1,405,086</u>

There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: General Fund, the Motor Vehicle License and Gas Tax,

PREBLE COUNTY, OHIO
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Human Services, Community Mental Health, Developmental Disabilities, Other Legislative and Executive, Other Health, Other Human Services, Youth Service Subsidiary, Other Judicial Service, Disaster Services EMA, and Community Development Block Grant Funds. For additional information related to the net pension/OPEB liability (asset), see Notes 12 and 13.

The County has outstanding agreements to lease office space. The future lease payments were discounted based on the interest rate implicit in the lease or using the County's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. This lease is paid from the General Fund.

Changes in the long-term obligations reported for business-type activities during 2024 were as follows:

Types/Issues	Restated Balance at 12/31/2023	Increases	Decreases	Balance at 12/30/2024	Within One Year
<u>Loans Payable from Direct Borrowing:</u>					
0.00% - 2004 OWDA Loan \$820,238	\$80,992	\$0	\$20,249	\$60,743	\$60,743
0.00% - 2010 OPWC Loan \$1,500,000	675,000	0	75,000	600,000	75,000
0.00% - 2012 OPWC Loan \$374,698	249,799	0	12,490	237,309	12,490
0.00% - 2006 OPWC Loan \$38,000	6,650	0	1,900	4,750	1,900
Total Loans Payable from Direct Borrowing	<u>1,012,441</u>	<u>0</u>	<u>109,639</u>	<u>902,802</u>	<u>150,133</u>
<u>Other Long-Term Obligations:</u>					
Net Pension Liability - OPERS	748,663	0	74,512	674,151	0
Net OPEB Liability - OPEB	15,870	0	15,870	0	0
Compensated Absences Payable	145,642	19,950	0	165,592	55,684
Landfill Closure and Postclosure	8,497,976	525,434	0	9,023,410	0
Total Other Long-Term Obligations	<u>9,408,151</u>	<u>545,384</u>	<u>90,382</u>	<u>9,863,153</u>	<u>55,684</u>
Total - Business-Type Activities	<u>\$10,420,592</u>	<u>\$545,384</u>	<u>\$200,021</u>	<u>\$10,765,955</u>	<u>\$205,817</u>

The County has pledged future sewer customer receipts, net of specified operating disbursements, to repay the \$820,238 in sewer system OWDA loans issued in 2004 with an interest rate of zero percent. These loans are a direct borrowing from OWDA. In the event of a default, the loans shall bear interest at a default rate from the due date until the date of payment, pay any cost incurred by OWDA to cure the default and will not be eligible for inclusion in a Water Pollution Control Loan Fund (WPCLF) Loan Agreement. Proceeds from these loans provided financing for the construction of the West Elkton sewer system and to refund the County's three outstanding OWDA Loans at December 31, 2003. The loans are payable solely from sewer customer net receipts and are payable through January 1, 2026. Principal paid for the current year and total customer net revenues were \$20,249 and \$1,489,278 respectively. The total principal remaining to be paid on the loans is \$60,743.

The OPWC loans consist of money owed to the Ohio Public Works Commission for various construction projects within the County. These consist of 15 or 20 year general obligation loans payable. These loans are a direct borrowing from OPWC. In the event of a default, the loans will bear interest at a default rate from date of default until date of payment; at the discretion of OPWC, under Ohio Revised Code Section 164.05, force the County Auditor to pay the amount of the default from the County's portion of the undivided local government fund; OPWC will be released from any and all obligations of the loan agreements; and at OPWC's discretion, the remaining unpaid principal and any accrued interest becomes

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immediately due and payable. The liability for the Landfill and Sewer Funds is recorded in the fund and government-wide financial statements. The liabilities for the governmental funds are not recorded on the fund financial statements, but are recorded on the government-wide financial statements. The liability for the Sewer and Landfill Enterprise Funds are recorded in the fund. The loans will be repaid from the Sewer and Landfill Enterprise Funds.

There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the Landfill Fund. For additional information related to the pension/OPEB liability (asset) see Notes 12 and 13.

The effects of the debt limitations at December 31, 2024, are an overall legal debt margin of \$31,629,487 and an unvoted legal debt margin of \$13,251,795.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors should not exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt should not exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

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

Governmental Activities from Direct Borrowings		
Year	Lease Payments	
	Principal	Interest
2025	\$23,929	\$755
2026	10,202	83
Total	<u>\$34,131</u>	<u>\$838</u>

Business-Type Activities from Direct Borrowings	
Year	Loans Payable
	Principal
2025	\$150,133
2026	89,390
2027	88,440
2028	87,490
2029	87,490
2030-2034	287,450
2035-2039	62,450
2040-2043	49,959
Totals	<u>\$902,802</u>

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Note 18 – Landfill Closure And Post-Closure Costs

State and federal laws and regulations require that the County place a final cover on its landfill when it stops accepting waste. These laws and regulations also require the County to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure.

Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County is required by generally accepted accounting principles to report a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$9,023,410 reported as a landfill closure and post-closure care liability at December 31, 2024, represents the cumulative amount reported to date based on the use of 46.07 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of the closure and post-closure care of \$10,562,218 as the remaining estimated capacity is filled. 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. The County expects to close the landfill in the year 2079.

The County is required by State and federal laws and regulations to prove financial assurance to finance closure and post-closure care. The Ohio Environmental Protection Agency has established certain rules applicable to the County, requiring that the permittee of a Solid Waste Disposal Facility ensure adequate funds will be available when needed for final closure/or post-closure care of the facility. The County has elected to provide a letter from the Chief Financial Officer, as specified in paragraph (F) of Rule 3745-27-15 or in paragraph (F) of Rule 3745-27-16 of the Ohio Administrative Code as the mechanism to demonstrate the County's Financial Assurance as specified in Chapter 3745-27 of the Ohio Administrative Code.

Note 19 - Interfund Activity

Interfund balances at December 31, 2024, consisted of the following amounts and result from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All are expected to be paid within one year.

	Interfund Receivable		
	General Fund	Motor Vehicle and Gas Tax Fund	Total
Interfund Payable			
General Fund	\$0	\$7,377	\$7,377
Nonmajor Governmental Funds	246,655	0	246,655
Sewer Enterprise Fund	857,406	0	857,406
Total	<u>\$1,104,061</u>	<u>\$7,377</u>	<u>\$1,111,438</u>

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

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Transfers From	Transfers To		Totals
	Motor Vehicle and Gas Tax Fund	Nonmajor Governmental Funds	
General Fund	\$63,262	\$525,872	\$589,134

Transfers are used to move revenues from the fund that State statute or the County's budget requires to collect them to the fund that is required to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

Note 20 - Related Organizations

Preble County Library Board

The Preble County Library Board is a related organization of the County. The County Officials (the Commissioners, the Probate Court and the Common Pleas Court) are responsible for appointing the trustees of the Library Board; however, the County Officials cannot influence the Library's operation nor does the Library represent a potential financial benefit or burden to the County. Although the County does serve as the taxing authority and may issue tax related debt on behalf of the Library Board, its role is limited to a ministerial function. Once the Library Board determines to present a levy to the voters, including the determination of the rate and duration, the County must place the levy on the ballot. The Library may issue debt and determines its own budget. During 2024, the County did not make any significant financial contributions to the operation of the Library. Financial information for the Library may be obtained by writing to the Treasurer of the Preble County Library Board, 450 S. Barron Street, Eaton, Ohio 45320.

Preble Metropolitan Housing Authority

The Preble Metropolitan Housing Authority (PMHA) is a related organization to the County. The general purpose of the PMHA is to provide decent, safe, and sanitary housing for qualified persons within the County. The ability to influence operations depends on the County's representation on the Board. The PMHA Board is composed of five representatives: one member appointed by the County Common Pleas Court Judge; one member appointed by the County Commissioners; one member appointed by the County Probate Court Judge; and two members appointed by the Mayor of Eaton. During 2024, the County did not make any significant financial contributions to the operation of the PMHA. Financial information may be obtained from the Preble Metropolitan Housing Authority, 304 Eaton-Lewisburg Road, Eaton, Ohio 45320.

Note 21 - Joint Venture

Preble County Emergency Management Agency

The Preble County Emergency Management Agency (EMA) is a joint venture between the County, the City of Eaton, and townships and villages within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is composed of the following seven members: one County Commissioner representing the Board of County Commissioners;

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five chief executives representing the municipal corporations and townships entering into the agreement; and one non-elected representative. The County contributed \$87,442 for the operation of the EMA during 2024. The EMA is a joint venture because its continued existence depends on contributed funding by the County. The EMA is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Complete financial statements can be obtained from the EMA located at 6818 US 127 North, Eaton, Ohio 45320.

Note 22 - Jointly Governed Organization

West Central Ohio Network

The West Central Ohio Network (WestCON) is a jointly governed organization among Auglaize, Darke, Logan, Mercer, Miami, Preble, Shelby, and Union Counties. WestCON was formed to administer supported living services for persons with developmental disabilities in these counties. The executive committee consists of eight members that are the Superintendents of each local county board of developmental disabilities which is a WestCON member. The Committee exercises total control over operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation on the Committee. During 2024, the County did not make any significant financial contributions to WestCON.

Note 23 - Risk Sharing Pool

County Risk Sharing Authority, Inc.

The County Risk Sharing Authority, Inc. (CORSAs) is a risk sharing pool among counties in Ohio. CORSA was formed as an Ohio non-profit 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 coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgetary and financing of CORSA is limited to its voting authority and any representative 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 payments of the certificates. The County does not have an equity interest in CORSA.

Note 24 - Group Purchasing Pool

County Commissioners' Association of Ohio Service Corporation

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

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A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services, and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of the CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a County Commissioner.

Note 25 – Fund Balances

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

Fund Balances	General Fund	Motor Vehicle and Gas Tax Fund	Developmental Disabilities Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable:</i>					
Unclaimed Monies	\$219,487	\$0	\$0	\$0	\$219,487
Materials And Supplies					
Inventory	52,068	119,934	1,074	14,692	187,768
Prepays	2,832	12,618	0	8,303	23,753
<i>Total Nonspendable</i>	<u>274,387</u>	<u>132,552</u>	<u>1,074</u>	<u>22,995</u>	<u>431,008</u>
<i>Restricted For:</i>					
Human Services	0	0	0	932,991	932,991
Mental Health Services	0	0	5,527,178	1,061,953	6,589,131
Public Works	0	0	0	167,128	167,128
Road Maintenance and Repair	0	1,641,571	0	302,800	1,944,371
Community and Economic					
Development	0	0	0	552,143	552,143
Public Safety	0	0	0	3,094,101	3,094,101
Real Estate Assessments	0	0	0	2,479,443	2,479,443
Other Health Services	0	0	0	59,479	59,479
Legislative and Executive	0	0	0	3,897	3,897
<i>Total Restricted</i>	<u>0</u>	<u>1,641,571</u>	<u>5,527,178</u>	<u>8,653,935</u>	<u>15,822,684</u>
<i>Assigned To:</i>					
Future Appropriations	4,703,367	0	0	0	4,703,367
Permanent Improvement	0	0	0	462	462
<i>Total Assigned</i>	<u>4,703,367</u>	<u>0</u>	<u>0</u>	<u>462</u>	<u>4,703,829</u>
<i>Unassigned</i>	<u>12,616,602</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,616,602</u>
<i>Total Fund Balances</i>	<u>\$17,594,356</u>	<u>\$1,774,123</u>	<u>\$5,528,252</u>	<u>\$8,677,392</u>	<u>\$33,574,123</u>

PREBLE COUNTY, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2024

Note 26 – Significant Commitments

Contractual Commitments

The County has entered into the following contract as of December 31, 2024:

<u>Project</u>	<u>Amount Remaining</u>
Sanitary Sewer and Wastewater Treatment Plant	\$7,212,713

Note 27- Contingent Liabilities

Litigation

The County is party to a lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of this matter will not materially adversely affect the County's financial position.

The County is also party to a pending matter. Although the matter is still pending, the County's legal counsel believes that the resolution of this matter will not materially affect the County's financial position.

Federal and State Grants

The County participates in a number of Federal and State assisted grant programs. These programs are subject to financial and compliance audits by grantors or representatives. At December 31, 2024, the audits of certain programs had not been completed. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The County believes that disallowed claims, if any, will not have a material adverse effect on the County's financial position.

Note 28 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. The County will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Note 29 – Discretely Presented Component Unit

Preble County Land Reutilization Corporation

Reporting Entity

The Preble County Land Reutilization Corporation (Corporation) is a legally separate not for profit organization, created under Ohio Revised Code Section 5722 and Chapter 1724 on April 16, 2018. The purpose of the Corporation is to facilitate the effective reutilization of nonproductive land situated within the Preble County (County) boundaries. The Corporation has been designated as the County's agent for reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed or other real property in

PREBLE COUNTY, OHIO
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the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Corporation will assist and facilitate activities of governmental entities in clearing, assembling, and clearing title to land for economic development purposes. The Corporation is governed by a seven-member Board of Directors, consisting of two County Commissioners, the County Treasurer, one representative from the municipal corporation with the largest population (Eaton), one representative from a Preble County Township, a Preble County Realtor and the Preble County Economic Director. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the Corporation and the management and control of its properties. The Treasurer, two of the three County Commissioners, the Municipal Representative and the Township Representative are ex-officio directors. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The terms of office of the two remaining appointed directors are two years apiece. The Corporation is classified as a component unit of Preble County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statements No. 39 and 61.

The Corporation is a legally separate entity and does not have any component units and does not include any organizations in its presentation. The Corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable.

Basis of Accounting

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

Measurement Focus

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

The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources generally are included in the balance sheet. The statement of revenues, expenditures and change in fund balance 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.

Budgetary Process

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

Federal Income Tax

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

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Equity in Pooled Cash and Cash Equivalents

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

Assets Held For Resale

Assets held for resale represent properties purchased by the Corporation or contributed by owners. Purchased properties are valued based upon the purchase price. Donated property is valued at the county auditor land valuation. These properties are further valued based upon any costs of maintenance, rehabilitation, or demolition of structures on the properties. The Corporation holds the properties until they are either sold or transferred to a private purchaser, non-profit or public end-user.

Accrued Liabilities

All payables and accrued liabilities are reported in the government-wide financial statements. 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 an obligation of the fund.

Net Position

Net Position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net Position is reported as restricted when there are limitations imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2024.

Intergovernmental Revenue

The Corporation receives DTAC through Preble County. The money represents the penalties and interest on current unpaid and delinquent taxes once these taxes are paid. Pursuant to the Ohio Revised Code, these penalty and interest monies are collected by the County when taxes are paid and then paid to the Corporation when County tax settlements are made.

Estimates

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources until that time. The governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

PREBLE COUNTY, OHIO
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Deposits

At December 31, 2024, the carrying amount of all Corporation deposits was \$527,448. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2024, \$250,000 of the Corporation's bank balance was covered by Federal Deposit Insurance Corporation (FDIC) and \$277,448 was uninsured and exposed to custodial risk and was collateralized with securities held in the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the County and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Transactions with Preble County

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Preble County Board of Commissioners to receive 5 percent of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax and Assessment Collection fund and will be available for appropriation by the Corporation to fund operations. The Corporation received \$118,972 from the County in 2024.

Pursuant to a contract for services agreement by the Board of Directors, the Corporation paid the Preble County Commissioners \$15,725 for administrative costs during 2024.

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

Note 30 – Condensed Component Unit Statements

Condensed Component Unit Statement of Net Position

	Preble County Landbank
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$527,448
Due from Other Governments	28,813
Assets Held for Resale	<u>146,480</u>
<i>Total Assets</i>	<u>702,741</u>
<u>Liabilities:</u>	
Accounts Payable	<u>\$5,921</u>
<u>Net Position:</u>	
Unrestricted	<u>696,820</u>
<i>Total Net Position</i>	<u>\$696,820</u>

Condensed Component Unit Statement of Activities

	Preble County Landbank
<u>Expenses:</u>	<u>\$169,711</u>
Program Revenues:	
Operating Grants and Contributions	<u>195,095</u>
Net Program Revenue (Expenses)	<u>25,384</u>
Other General Revenues	<u>118,972</u>
Change in Net Position	144,356
<i>Net Position at Beginning of Year-Restated</i>	<u>552,464</u>
<i>Net Position at End of Year</i>	<u><u>\$696,820</u></u>

PREBLE COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PLAN
LAST TEN YEARS

	2024	2023	2022	2021
County's Proportion of the Net Pension Liability	0.08154230%	0.08025600%	0.08161440%	0.08103744%
County's Proportionate Share of the Net Pension Liability	\$21,348,110	\$23,707,659	\$7,100,782	\$11,999,883
County's Covered Payroll	\$13,016,985	\$12,176,581	\$11,491,041	\$11,079,228
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	164.00%	194.70%	61.79%	108.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%

Amounts presented for each year were determined 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
0.07915296%	0.07450252%	0.07439488%	0.07804176%	0.07763972%	0.07918050%
\$15,645,116	\$20,404,727	\$11,671,112	\$17,721,954	\$13,448,179	\$9,550,052
\$9,843,789	\$9,243,511	\$9,586,495	\$9,589,066	\$9,804,644	\$9,473,916
158.93%	220.75%	121.75%	184.81%	137.16%	100.80%
82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

PREBLE COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY/ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - COMBINED PLAN
LAST SEVEN YEARS (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
County's Proportion of the Net Pension Liability	0.09764860%	0.09965310%	0.10648416%
County's Proportionate Share of the Net Pension (Asset)	(\$300,154)	(\$234,873)	(\$419,554)
County's Covered Payroll	\$448,383	\$467,157	\$485,457
County's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	(66.94%)	(50.28%)	(86.42%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	144.55%	137.14%	169.88%

(1) Amounts for the combined plan are not presented prior to 2018 as the County's participation in this plan was considered immaterial in previous years.

Amounts presented for each year were determined as of the County's measurement date, which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2021	2020	2019	2018
0.09593280%	0.09360768%	0.09946764%	0.11380400%
(\$276,922)	(\$195,192)	(\$111,226)	(\$154,925)
\$422,779	\$353,414	\$379,486	\$466,085
(65.50%)	(55.23%)	(29.31%)	(33.24%)
157.67%	145.28%	126.64%	137.28%

PREBLE COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY/ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - OPEB PLAN
LAST EIGHT YEARS (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
County's Proportion of the Net OPEB Liability (Asset)	0.08056855%	0.07970215%	0.08126400%
County's Proportionate Share of the Net OPEB Liability (Asset)	(\$727,155)	\$502,534	(\$2,545,315)
County's Covered Payroll	\$13,822,463	\$13,014,038	\$12,301,301
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-5.26%	3.86%	(20.69%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	107.76%	94.79%	128.23%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the County's measurement date, which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2021	2020	2019	2018	2017
0.08143392%	0.07969920%	0.07531304%	0.07573440%	0.07855880%
(\$1,450,814)	\$11,008,524	\$9,819,037	\$8,224,195	\$7,934,705
\$11,984,682	\$10,593,653	\$9,990,347	\$10,489,930	\$10,064,570
(12.11%)	103.92%	98.29%	78.40%	78.84%
115.57%	47.80%	46.33%	54.14%	54.04%

PREBLE COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS (1)

	2024	2023	2022	2021
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$2,026,112	\$1,878,202	\$1,759,463	\$1,658,040
Contributions in Relation to the Contractually Required Contribution	<u>(2,026,112)</u>	<u>(1,878,202)</u>	<u>(1,759,463)</u>	<u>(1,658,040)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$14,002,407	\$13,016,985	\$12,176,581	\$11,491,041
Contributions as a Percentage of Covered Payroll	14.47%	14.43%	14.45%	14.43%
Net Pension Liability - Combined Plan				
Contractually Required Contribution	\$59,357	\$53,806	\$65,402	\$67,964
Contributions in Relation to the Contractually Required Contribution	<u>(59,357)</u>	<u>(53,806)</u>	<u>(65,402)</u>	<u>(67,964)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$494,642	\$448,383	\$467,157	\$485,457
Pension Contributions as a Percentage of Covered Payroll	<u>12.00%</u>	<u>12.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability/Asset - OPEB Plan				
Contractually Required Contribution	\$23,945	\$20,645	\$14,812	\$13,815
Contributions in Relation to the Contractually Required Contribution	<u>(23,945)</u>	<u>(20,645)</u>	<u>(14,812)</u>	<u>(13,815)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll (2)	\$14,926,774	\$13,822,463	\$13,014,038	\$12,301,301
OPEB Contributions as a Percentage of Covered Payroll	<u>0.16%</u>	<u>0.15%</u>	<u>0.11%</u>	<u>0.11%</u>

- (1) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.
- (2) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

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>
\$1,597,209	\$1,419,756	\$1,330,543	\$1,279,686	\$1,212,452	\$1,181,475
<u>(1,597,209)</u>	<u>(1,419,756)</u>	<u>(1,330,543)</u>	<u>(1,279,686)</u>	<u>(1,212,452)</u>	<u>(1,181,475)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,079,228	\$9,843,789	\$9,243,511	\$9,586,495	\$9,589,066	\$9,804,644
14.42%	14.42%	14.39%	13.35%	12.64%	12.05%
\$59,189	\$49,478	\$53,128	\$60,591	\$51,568	\$52,636
<u>(59,189)</u>	<u>(49,478)</u>	<u>(53,128)</u>	<u>(60,591)</u>	<u>(51,568)</u>	<u>(52,636)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$422,779	\$353,414	\$379,486	\$466,085	\$429,733	\$438,633
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>
\$19,307	\$15,858	\$14,694	\$118,019	\$206,490	
<u>(19,307)</u>	<u>(15,858)</u>	<u>(14,694)</u>	<u>(118,019)</u>	<u>(206,490)</u>	
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
\$11,984,682	\$10,593,653	\$9,990,347	\$10,489,930	\$10,064,570	
<u>0.16%</u>	<u>0.15%</u>	<u>0.15%</u>	<u>1.13%</u>	<u>2.05%</u>	

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

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019 through 2021	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:	
2024	2.3 percent, simple through 2024, then 2.05 percent, simple
2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

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

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. 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.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OPERS Pension – Combined Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019 through 2021	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

Since 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

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

Changes in Assumptions – OPERS OPEB

Wage Inflation:

Beginning in 2022	2.75 percent
2021 and prior	3.25 percent

Projected Salary Increases (including wage inflation):

Beginning in 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent

Investment Return Assumption:

Beginning in 2019	6.00 percent
2018	6.50 percent

Municipal Bond Rate:

2024	3.77 percent
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent

Single Discount Rate:

2024	5.70 percent
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent

Health Care Cost Trend Rate:

2024	5.50 percent, initial 3.5 percent, ultimate in 2038
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

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

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

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PREBLE COUNTY

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct Program:</i>				
Shelter Plus Care	14.238	N/A	\$19,118	\$248,081
Total Shelter Plus Care				248,081
<i>Passed Through Ohio Department of Development:</i>				
Community Development Block Grant/States Program - FY 2020	14.228	B-X-20-1CK-2		302
Community Development Block Grant/States Program - FY 2020	14.228	B-F-20-1CK-1		2,337
Community Development Block Grant/States Program -FY 2021	14.228	B-C-21-1CK-1		32,130
Community Development Block Grant/States Program -FY 2022	14.228	B-F-22-1CK-1		71,384
Total Community Development Block Grant/States Program				106,153
Home Investment Partnership Program - PY 2021	14.239	B-C-21-1CK-2		2,003
Total Passed Through Ohio Department of Development				108,156
Total U.S. Department of Housing and Urban Development				356,237
U.S. ELECTION ASSISTANCE COMMISSION				
<i>Passed Through Ohio Secretary of State:</i>				
Help America Vote Act (HAVA) - Election Security Grants	90.404	N/A		3,037
Total U.S. Election Assistance Commission				3,037
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Job & Family Services:</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:				
Food Assistance Employment & Training (FAET) FY 2024 - 100%	10.561	G-2425-11-6190		8,607
Food Assistance Employment & Training (FAET) FY 2025 - 100%	10.561	G-2425-11-6190		11,995
Food Assistance Employment & Training (FAET) FY 2024 - Operating	10.561	G-2425-11-6190		6,576
Food Assistance Employment & Training (FAET) FY 2025 - Operating	10.561	G-2425-11-6190		2,959
Food Assistance Employment & Training (FAET) FY 2024 - Participation Allow 50%	10.561	G-2425-11-6190		881
Food Stamp Federal FY 2024	10.561	G-2425-11-6190		204,482
Food Stamp Federal FY 2025	10.561	G-2425-11-6190		87,118
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program / SNAP Cluster				322,618
Total U.S. Department of Agriculture				322,618
U.S. DEPARTMENT OF JUSTICE				
<i>Passed Through Ohio Attorney General's Office:</i>				
Crime Victim Assistance - 2024	16.575	2024-VOCA-135502878		33,198
Crime Victim Assistance - 2025	16.575	2025-VOCA-135906148		12,186
Total Crime Victim Assistance				45,384
Total U.S. Department of Justice				45,384
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through The Ohio Department of Transportation:</i>				
Highway Planning and Construction:				
PRE Preble County Closures NS	20.205	PID 117952	300,000	300,000
PRE Superstructure Replacement	20.205	PID 117503		345,642
Total Highway Planning and Construction				645,642
<i>Passed Through Ohio Emergency Management Agency:</i>				
Hazardous Materials Emergency Preparedness - 2022	20.703	693JK32240334HMEP		9,520
Total Interagency Hazardous Materials Public Sector Training and Planning Grants				9,520
Total U.S. Department of Transportation				655,162

PREBLE COUNTY

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Emergency Management Agency:</i>				
Emergency Management Performance Gant - FY 2022	97.042	EMC-2022-EP-00006		10,842
Emergency Management Performance Gant - FY 2023	97.042	EMC-2023-EP-00003		51,811
Total Emergency Management Performance Grants				62,653
Homeland Security Grant Program	97.067	EMW-2022-SS-00058		245,787
<i>Passed Through Ohio Department of Public Safety:</i>				
Hazard Mitigation Grant	97.039			3,395
Total U.S. Department of Homeland Security				311,835
U.S. DEPARTMENT OF LABOR				
<i>Passed Through Montgomery County Department of Job & Family Services:</i>				
Unemployment Insurance PY'24 RESEA	17.225	G-2223-11-6981 / G-2425-11-6190		2,772
Total Unemployment Insurance				2,772
<i>Passed Through Greater Ohio Workforce Board, Inc.:</i>				
WIOA Cluster:				
WIOA - Adult FY'23	17.258	G-2425-11-6190		11,652
WIOA - Adult PY'23	17.258	G-2425-11-6190		8,602
WIOA - Adult FY'24	17.258	G-2425-11-6190		55,338
WIOA - Adult PY'24	17.258	G-2425-11-6190		4,786
WIOA - Adult - OMJ Branding	17.258	G-2425-11-6190		3,988
Total WIOA - Adult Program				84,366
WIOA - Youth Activities PY'22	17.259	G-2223-11-6981 / G-2425-11-6190	13,174	13,174
WIOA - Youth Activities PY'23	17.259	G-2425-11-6190	33,840	33,840
Total WIOA - Youth Activities			47,014	47,014
WIOA - Dislocated Worker Formula Grants	17.278	G-2425-11-6190		34,247
Total WIOA Dislocated Worker Formula Grants				34,247
Total WIOA Cluster				165,627
Total U.S. Department of Labor				168,399
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Job & Family Services:</i>				
Social Services Block Grant - Base FY 2024	93.667	G-2425-11-6190		32,560
Social Services Block Grant - Transfer FY 2024	93.667	G-2425-11-6190		78,283
Social Services Block Grant - Transfer FY 2025	93.667	G-2425-11-6190		8,598
				119,441
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Social Services Block Grant	93.667	2401OHSOSR		25,973
<i>Passed Through Ohio Department of Mental Health & Addiction Services:</i>				
Social Services Block Grant	93.667	N/A	17,852	17,852
Total Social Services Block Grant				163,266
<i>Passed Through Ohio Department of Job & Family Services:</i>				
Children's Health Insurance Program-FY24	93.767	G-2425-11-6190		9,461
Children's Health Insurance Program-FY25	93.767	G-2425-11-6190		4,899
Total Children's Health Insurance Program				14,360

PREBLE COUNTY

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<i>Passed Through Ohio Department of Job & Family Services:</i>				
Medicaid Cluster				
Medical Assistance Program - FY 2024	93.778	G-2425-11-6190		319,483
Medical Assistance Program - FY 2025	93.778	G-2425-11-6190		99,135
Medical Assistance Program - Child Welfare Program FY 2024	93.778	G-2425-11-6190		1,127
Medical Assistance Program - NET FY 2024	93.778	G-2425-11-6190		141,801
Medical Assistance Program - NET FY 2025	93.778	G-2425-11-6190		19,308
				<u>580,854</u>
Total Medical Assistance Program / Medicaid Cluster				<u>580,854</u>
<i>Passed Through Ohio Department of Mental Health & Addiction Services:</i>				
Block Grants for Community Mental Health Services	93.958	N/A		24,157
Total Block Grants for Community Mental Health Services				<u>24,157</u>
<i>Passed Through Ohio Department of Mental Health & Addiction Services:</i>				
Opioid STR	93.788	N/A	597,625	666,067
Total Opioid STR				<u>666,067</u>
<i>Passed Through Ohio Department of Mental Health & Addiction Services:</i>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	220,922	363,075
Total Block Grants for Prevention and Treatment of Substance Abuse				<u>363,075</u>
<i>Passed Through Ohio Department of Job & Family Services:</i>				
Child Support - Training - 2024	93.563	G-2425-11-6190		985
Child Support - Incentives - 2024	93.563	G-2425-11-6190		124,737
Child Support Awareness - 2025	93.563	G-2425-11-6190		741
Child Support - Federal Cash Draws 2024	93.563	G-2425-11-6190		241,531
Child Support - Federal Cash Draws 2025	93.563	G-2425-11-6190		86,587
Total Child Support Services				<u>454,581</u>
<i>Passed Through Ohio Department of Job & Family Services:</i>				
Promoting Safe and Stable Families - ESAA Preservation FY 2024	93.556	G-2425-11-6190		1,695
Promoting Safe and Stable Families - ESAA Preservation FY 2025	93.556	G-2425-11-6190		165
Promoting Safe and Stable Families - ESAA Reunification FY 2024	93.556	G-2425-11-6190		2,505
Family Centered Services and Supports SFY 24 IV-B Part 2	93.556	G-2425-11-6190		9,484
Family Centered Services and Supports SFY 25 IV-B Part 2	93.556	G-2425-11-6190		3,943
Total Marylee Allen Promoting Safe and Stable Families				<u>17,792</u>
<i>Passed Through Ohio Department of Job & Family Services:</i>				
Chafee Foster Care Independent Living FY2024	93.674	G-2425-11-6190		2,163
Chafee Foster Care Independent Living FY2025	93.674	G-2425-11-6190		743
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood				<u>2,906</u>
<i>Passed Through Ohio Department of Job & Family Services:</i>				
Family Centered Services and Supports SFY 24 IV-B Part 1	93.645	G-2425-11-6190		30,046
Family Centered Services and Supports SFY 25 IV-B Part 1	93.645	G-2425-11-6190		10,772
Family and Children First Council SFY25 IV-B Part 1	93.645	G-2425-11-6190		475
Total Stephanie Tubbs Jones Child Welfare Services Program				<u>41,293</u>
<i>Passed Through Ohio Department of Job & Family Services:</i>				
Adoption Assistance - IV-E Admin/Training Adoption Assistance FY2024	93.659	G-2425-11-6190		202,372
Adoption Assistance - IV-E Admin/Training Adoption Assistance FY2025	93.659	G-2425-11-6190		57,220
Total Adoption Assistance				<u>259,592</u>

PREBLE COUNTY

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<i>Passed Through Ohio Department of Job & Family Services:</i>				
Temporary Assistance for Needy Families - Administration FY 2024	93.558	G-2425-11-6190		246,299
Temporary Assistance for Needy Families - Summer Youth FY24	93.558	G-2425-11-6190	25,781	25,781
Temporary Assistance for Needy Families - Regular FY2024	93.558	G-2425-11-6190		328,793
Temporary Assistance for Needy Families-CCMEP Regular FY2024	93.558	G-2425-11-6190		192,304
Temporary Assistance for Needy Families-CCMEP Regular FY2025	93.558	G-2425-11-6190		24,813
Temporary Assistance for Needy Families-CCMEP Admin FY2024	93.558	G-2425-11-6190		60,488
Fraud Awareness	93.558	G-2425-11-6190		1,898
Total Temporary Assistance for Needy Families				880,376
<i>Passed Through Ohio Department of Job & Family Services:</i>				
Foster Care Administration/Training FY 2024	93.658	G-2425-11-6190		77,694
Foster Care Administration/Training FY 2025	93.658	G-2425-11-6190		24,285
Total Foster Care - Title IV-E				101,979
<i>Passed Through Ohio Department of Job & Family Services:</i>				
CCDF Cluster				
Child Care and Development Block Grant - Administrative FY 2025	93.575	G-2425-11-6190		1,629
Child Care and Development Block Grant - Non-Administrative FY 2024	93.575	G-2425-11-6190		20,176
Child Care and Development Block Grant - Non-Administrative FY 2025	93.575	G-2425-11-6190		9,770
Total Child Care and Development Block Grant / CCDF Cluster				31,575
<i>Passed Through Ohio Department of Job & Family Services:</i>				
COVID 19 - Ohio ARPA APS	93.747	G-2223-11-6981 / G-2425-11-6190		14,212
Total COVID-19 Elder Abuse Prevention Interventions Program				14,212
Total U.S. Department of Health and Human Services				3,616,085
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Special Education-Grants for Infants and Families - Early Head Start (Help Me Grow)	84.181	H181A230024		65,334
Total Special Education-Grants for Infants and Families				65,334
Total U.S. Department of Education				65,334
U.S. DEPARTMENT OF TREASURY				
<i>Passed Through Ohio Office of Budget and Management:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		40,075	172,614
<i>Passed Through Ohio Department of Job & Family Services:</i>				
COVID-19 Medicaid Unwinding Regular	21.027	G-2223-11-6981 / G-2425-11-6190		14,350
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds				186,964
Total U.S. Department of Treasury				186,964
U.S. DEPARTMENT OF DEFENSE				
<i>Direct Program:</i>				
Ohio Environmental Infrastructure Program	12.XXX	N/A		120,739
Total Ohio Environmental Infrastructure Program				120,739
Total U.S. Department of Defense				120,739
Total			<u>\$1,268,387</u>	<u>\$5,851,794</u>

The accompanying notes are an integral part of this schedule.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The County passes certain federal awards received from the U.S. Department of Housing and Urban Development, Ohio Department of Mental Health and Addiction Services, Ohio Office of Budget and Management, Ohio Department of Job and Family Services, Ohio Department of Transportation and the Greater Ohio Workforce Board, Inc. 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 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The balance of CDBG CHIP funds was \$31,393 and the balance of HOME CHIP funds was \$7,396 in the CHIP Revolving Loan Fund on December 31, 2024.

NOTE F - 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.

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OHIO AUDITOR OF STATE KEITH FABER

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

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

Preble County
101 East Main Street
Eaton, Ohio 45320

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Preble 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 August 22, 2025 wherein we noted the County adopted new accounting guidance in Governmental Accounting Standards Board Statement 101, *Compensated Absences*. We also noted the County reported the Preble County Land Reutilization Corporation as a discretely presented component unit.

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

August 22, 2025



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Columbus, Ohio 43215
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Preble County
101 East Main Street
Eaton, Ohio 45320

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Preble 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.

Preble County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance
Page 3

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

KEITH FABER
Ohio Auditor of State

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

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

August 22, 2025

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PREBLE 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):	Opioid STR – AL #93.788 Highway Planning and Construction – AL# 20.205
(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

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



PREBLE 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 9/23/2025

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

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