



OHIO AUDITOR OF STATE
KEITH FABER

A small, thin-lined map of the state of Ohio is positioned to the right of the text, showing the state's outline.

PUTNAM COUNTY
DECEMBER 31, 2024

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis	11
Statement of Activities – Cash Basis	12
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis Governmental Funds.....	14
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis Governmental Funds.....	15
Statement of Net Position – Cash Basis Proprietary Funds.....	16
Statement of Receipts, Disbursements and Changes in Net Position – Cash Basis Proprietary Funds.....	17
Statement of Fiduciary Net Position – Cash Basis Fiduciary Funds.....	18
Statement of Changes in Fiduciary Net Position – Cash Basis Fiduciary Funds.....	19
Notes to the Basic Financial Statements.....	20
Supplementary Information:	
Schedule of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis General Fund	54
Auto License and Gas Tax Fund.....	55
Brookhill Center School Fund.....	56
Notes to Supplementary Information.....	57
Schedule of Expenditures of Federal Awards	58
Notes to the Schedule of Expenditures of Federal Awards.....	60
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	61

**PUTNAM COUNTY
DECEMBER 31, 2024**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
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	63
Schedule of Findings	67
Prepared by Management:	
Summary Schedule of Prior Audit Findings	69
Corrective Action Plan	70

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Putnam County
245 East Main Street
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To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Putnam 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 cash-basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2024, and the respective changes in cash-basis financial position and where applicable cash flows thereof in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

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

Emphasis of Matter – Accounting Basis

Ohio Administrative Code § 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements.

The Schedule of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis for the General, Auto License and Gas Tax, and Brookhill Center School Funds and 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 are presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied 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 Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis for the General, Auto License and Gas Tax, and Brookhill Center School Funds and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 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

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PUTNAM COUNTY

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

The discussion and analysis of Putnam County's (the County) financial performance provides an overview of the County's financial activities for the year ended December 31, 2024, within the limitations of the County's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

Overall:

- Total net position decreased \$445,076 with governmental activities decreasing by \$138,911 and business-type activities decreasing by \$306,165.
- Total cash receipts were \$40,651,763 in 2024.
- Total program cash disbursements were \$41,096,839 in 2024.

Governmental Activities:

- Total program cash receipts were \$19,233,419 in 2024, while program cash disbursements were \$37,684,846.
- Program cash disbursements were primarily composed of general government, public safety, public works, health, human services, and capital outlay related cash disbursements which were \$34,883,455 in 2024.

Business-Type Activities:

- Program cash receipts were \$2,498,974 for business-type activities, while corresponding cash disbursements were \$3,411,993.

Using this Basic Financial Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the County's cash basis of accounting.

Report Components

The statement of net position and statement of activities provide information about the cash activities of the County as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the County as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

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

PUTNAM COUNTY

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

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

Reporting the County as a Whole

The statement of net position and the statement of activities reflect how the County did financially during 2024, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental and business-type activities of the County at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the County's general receipts.

These statements report the County's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the County's financial health. Over time, increases or decreases in the County's cash position is one indicator of whether the County's financial health is improving or deteriorating. When evaluating the County's financial condition, you should also consider other nonfinancial factors as well such as the County's property tax base, the condition of the County's capital assets and infrastructure, the extent of the County's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and sales taxes.

In the statement of net position and the statement of activities, we divide the County into two types of activities:

Governmental Activities – Most of the County's basic services are reported here, including public safety, public works, health, and human services. State and federal grants and sales and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-Type Activities – The County has one major business-type activity, the Putnam County Emergency Medical Services Fund. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the County's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the County's major funds – not the County as a whole. The County establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the County are split into three categories: governmental, proprietary, and fiduciary.

Governmental Funds – Most of the County's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the County's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the County's programs. The County's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The County's major governmental funds are the General Fund, Auto License and Gas Tax Fund, and Brookhill Center School Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

PUTNAM COUNTY

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

Proprietary Funds – When the County charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The County has one major enterprise fund, the Putnam County Emergency Medical Services Fund.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the County's programs.

The County as a Whole

Recall that the statement of net position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position at December 31, 2024 compared to December 31, 2023.

Table 1
Net Cash Position

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<i>Assets</i>				
Equity in Pooled				
Cash and Cash Equivalents	<u>\$ 46,268,805</u>	<u>\$ 46,407,716</u>	<u>\$ 1,512,910</u>	<u>\$ 1,819,075</u>
<i>Net Cash Position</i>				
Restricted for:				
Debt service	1,289	1,289	-	-
Capital projects	2,368,097	2,646,962	-	-
Other purposes	22,023,834	24,395,794	-	-
Unrestricted	<u>21,875,585</u>	<u>19,363,671</u>	<u>1,512,910</u>	<u>1,819,075</u>
Total Net Position	<u><u>\$ 46,268,805</u></u>	<u><u>\$ 46,407,716</u></u>	<u><u>\$ 1,512,910</u></u>	<u><u>\$ 1,819,075</u></u>

Total assets decreased by \$445,076.

PUTNAM COUNTY

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

Table 2 shows the changes in net cash position for 2024 compared to changes in net cash position for 2023.

Table 2
Changes In Net Cash Position

	<i>Governmental Activities</i>		<i>Business-type Activities</i>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<i>Cash receipts</i>				
<i>Program cash receipts</i>				
Charges for services and sales	\$ 4,800,173	\$ 4,296,643	\$ 2,498,974	\$ 1,847,444
Operating grants and contributions	13,339,891	13,036,431	-	-
Capital grants and contributions	<u>1,093,355</u>	<u>3,162,043</u>	<u>-</u>	<u>-</u>
Total program cash receipts	<u>19,233,419</u>	<u>20,495,117</u>	<u>2,498,974</u>	<u>1,847,444</u>
<i>General cash receipts and transfers</i>				
Property taxes	6,284,770	7,169,906	571,487	560,836
Permissive taxes	551,248	-	-	-
Payment in lieu of taxes	2,293	3,124	-	-
Sales taxes	6,569,226	6,318,923	-	-
Grants and entitlements	1,287,757	1,250,694	5,852	8,332
Investment earnings	2,583,136	2,473,456	-	-
Transfers and advances	(93,722)	46,813	(16,378)	(16,378)
Miscellaneous	<u>1,127,808</u>	<u>1,315,037</u>	<u>45,893</u>	<u>96,949</u>
Total general cash receipts, transfers, and advances	<u>18,312,516</u>	<u>18,577,953</u>	<u>606,854</u>	<u>649,739</u>
<i>Total cash receipts, transfers, and advances</i>	<u>37,545,935</u>	<u>39,073,070</u>	<u>3,105,828</u>	<u>2,497,183</u>
<i>Cash disbursements</i>				
<i>Program cash disbursements</i>				
General government				
Legislative and executive	4,902,970	5,129,909	-	-
Judicial	1,984,131	1,972,460	-	-
Public safety	7,375,700	6,254,871	-	-
Public works	6,301,226	6,191,919	-	-
Health	6,265,691	5,585,842	-	-
Human services	4,303,109	3,949,797	-	-
Conservation and recreation	1,147,458	2,606,845	-	-
Economic development and assistance	232,783	259,077	-	-
Miscellaneous	1,404,772	1,297,002	-	-
Capital outlay	<u>3,750,628</u>	<u>4,109,394</u>	<u>-</u>	<u>-</u>
Debt service:				
Principal retirement	12,563	12,376	-	-
Interest and fiscal charges	3,815	4,002	-	-
Sewer	-	-	225,575	157,404
Sanitary landfill	-	-	257,417	442,634
Emergency medical services	-	-	2,879,159	2,472,726
Putnam acres	-	-	49,842	46,287
<i>Total Cash Disbursements</i>	<u>37,684,846</u>	<u>37,373,494</u>	<u>3,411,993</u>	<u>3,119,051</u>
<i>Change In Net Cash Position</i>	<u>(138,911)</u>	<u>1,699,576</u>	<u>(306,165)</u>	<u>(621,868)</u>
Net Cash Position at Beginning of Year	<u>46,407,716</u>	<u>44,708,140</u>	<u>1,819,075</u>	<u>2,440,943</u>
Net Cash Position at End of Year	<u>\$ 46,268,805</u>	<u>\$ 46,407,716</u>	<u>\$ 1,512,910</u>	<u>\$ 1,819,075</u>

PUTNAM COUNTY

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

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall monies generated by a voted levy do not increase solely as a result of inflation. Thus, County's dependence upon property taxes is hampered by a lack of tax growth and must return to the voters to maintain a constant level of service. Property taxes and sales taxes made up 16.74 percent and 17.50 percent, respectively, of cash receipts for governmental activities for Putnam County in 2024. Operating grants and contributions made up 35.53 percent of cash receipts for governmental activities for the County. Property taxes decreased due to Brookhill Center School dropping a voted tax levy from 2023 to 2024. Capital grants and contributions decreased due to less Ohio Department of Transportation (ODOT) money received.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax receipts and unrestricted State entitlements. The dependence upon tax receipts and intergovernmental monies for governmental activities is apparent. Almost 82.32 percent of human services activities are supported through charges for services and operating grants and contributions; for all governmental activities, general cash receipts, transfers, and advances support is 48.96 percent as shown in Table 2. The taxpayers and the State of Ohio, as a whole, provide the vast majority of resources for the County. Table 3 below shows the total and net cost of services (on a cash basis) for the County.

Table 3
Total Cost of Program Services
Governmental Activities

	2024		2023	
	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>
Governmental Activities				
General government				
Legislative and executive	\$ 4,902,970	\$ 2,584,153	\$ 5,129,909	\$ 3,075,768
Judicial	1,984,131	1,074,775	1,972,460	1,150,366
Public safety	7,375,700	6,769,828	6,254,871	5,615,479
Public works	6,301,226	(307,159)	6,191,919	(468,429)
Health	6,265,691	3,380,261	5,585,842	2,559,174
Human services	4,303,109	760,581	3,949,797	239,176
Conservation and recreation	1,147,458	1,028,770	2,606,845	2,588,157
Economic development	232,783	42,469	259,077	64,175
Miscellaneous	1,404,772	1,380,637	1,297,002	1,293,102
Capital outlay	3,750,628	1,720,734	4,109,394	745,031
Debt Service				
Principal retirement	12,563	12,563	12,376	12,376
Interest and fiscal charges	<u>3,815</u>	<u>3,815</u>	<u>4,002</u>	<u>4,002</u>
Total Cash Disbursements	<u>\$ 37,684,846</u>	<u>\$ 18,451,427</u>	<u>\$ 37,373,494</u>	<u>\$ 16,878,377</u>

Business-Type Activities

Business-type activities include emergency medical services. Overall net position decreased \$306,165 from 2023 to 2024. Program cash receipts support most business-type activities although; during 2024 program cash receipts did not exceed program cash disbursements.

PUTNAM COUNTY

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

The County's Funds

These funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of \$39,475,903 and cash disbursements and other financing uses of \$39,614,814. The fund balance for the year in the General Fund went from \$15,518,792 in 2023 to \$19,260,800 for 2024. For the General Fund, cash receipts and other financing sources exceeded cash disbursements and other financing uses in the amount of \$3,742,008. For the Brookhill Center School Fund, cash disbursements and other financing uses exceeded cash receipts in the amount of \$1,547,113. These factors along with cash disbursements and other financing uses being more than cash receipts and other financing sources in the Other Governmental Funds in the amount of \$3,321,434 resulted in governmental fund cash balances decreasing \$138,911.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. For the General Fund, final budget basis receipts were \$12,645,501. Total actual disbursements and other financing uses on the budget basis (cash disbursements plus encumbrances) were \$13,014,461; \$1,644,335 less than final budgeted appropriations.

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County had capital outlay disbursements of \$3,750,628 during 2024.

Debt

At December 31, 2024, the County's outstanding debt included \$244,961 in loans payable from governmental activities. For further information regarding the County's debt, refer to Note 11 to the financial statements.

Current Financial Related Activities

As the preceding information shows, the County heavily depends on its property taxpayers as well as intergovernmental monies. Since the property tax receipts do not grow at the same level as inflation, and intergovernmental monies are decreasing, the County will be faced with significant challenges over the next several years to contain costs and ultimately determine what options are available to the County to increase financial resources.

All of the County's financial abilities will be needed to meet the challenges of the future.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the County's cash basis finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information contact Robert L. Benroth, County Auditor, by email at bob.benroth@putnamcountyohio.gov or by mail at Putnam County Courthouse, 245 East Main Street, Suite 201, Ottawa, Ohio 45875-1968.

PUTNAM COUNTY

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 46,268,805	\$ 1,512,910	\$ 47,781,715
Net position:			
Restricted for:			
Debt service	1,289	-	1,289
Capital projects	2,368,097	-	2,368,097
Other purposes	22,023,834	-	22,023,834
Unrestricted	21,875,585	1,512,910	23,388,495
Total net position	<u>\$ 46,268,805</u>	<u>\$ 1,512,910</u>	<u>\$ 47,781,715</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PUTNAM COUNTY

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Program Cash Receipts
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government:				
Legislative and executive	\$ 4,902,970	\$ 2,141,613	\$ 177,204	\$ -
Judicial	1,984,131	751,238	158,118	-
Public safety	7,375,700	142,473	463,399	-
Public works	6,301,226	279,728	6,328,657	-
Health	6,265,691	249,651	2,635,779	-
Human services	4,303,109	292,111	3,250,417	-
Conservation and recreation	1,147,458	-	118,688	-
Economic development and assistance	232,783	6,820	183,494	-
Miscellaneous	1,404,772	-	24,135	-
Capital outlay	3,750,628	936,539	-	1,093,355
Debt service:				
Principal retirement	12,563	-	-	-
Interest and fiscal charges	3,815	-	-	-
Total governmental activities	<hr/> 37,684,846	<hr/> 4,800,173	<hr/> 13,339,891	<hr/> 1,093,355
Business-type activities:				
Sewer	225,575	198,079	-	-
Sanitary landfill	257,417	328,601	-	-
Emergency medical services	2,879,159	1,972,294	-	-
Putnam Acres	49,842	-	-	-
Total business-type activities	<hr/> 3,411,993	<hr/> 2,498,974	<hr/> -	<hr/> -
Totals	<hr/> \$ 41,096,839	<hr/> \$ 7,299,147	<hr/> \$ 13,339,891	<hr/> \$ 1,093,355

General receipts:

Property taxes levied for:
 General purposes
 Brookhill Center School
 Mental health
 911 systems
 Emergency medical services
 Permissive license taxes
 Payment in lieu of taxes
 Sales taxes
 Grants and entitlements not restricted
 to specific programs
 Investment earnings
 Transfers and advances
 Miscellaneous

Total general receipts, transfers, and advances

Change in net position

Net position at beginning of year

Net position at end of year

**Net (Disbursements) Receipts
and Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (2,584,153)	\$ -	\$ (2,584,153)
(1,074,775)	- (1,074,775)	
(6,769,828)	- (6,769,828)	
307,159	- 307,159	
(3,380,261)	- (3,380,261)	
(760,581)	- (760,581)	
(1,028,770)	- (1,028,770)	
(42,469)	- (42,469)	
(1,380,637)	- (1,380,637)	
(1,720,734)	- (1,720,734)	
(12,563)	- (12,563)	
(3,815)	- (3,815)	
<u>(18,451,427)</u>	<u>-</u>	<u>(18,451,427)</u>
- (27,496)	(27,496)	(27,496)
- 71,184	71,184	71,184
- (906,865)	(906,865)	(906,865)
- (49,842)	(49,842)	(49,842)
<u>- (913,019)</u>	<u>(913,019)</u>	<u>(913,019)</u>
<u>(18,451,427)</u>	<u>(913,019)</u>	<u>(19,364,446)</u>
3,130,533	- 3,130,533	
1,298,165	- 1,298,165	
598,189	- 598,189	
1,257,883	- 1,257,883	
- 571,487	571,487	571,487
551,248	- 551,248	
2,293	- 2,293	
6,569,226	- 6,569,226	
1,287,757	5,852 1,293,609	
2,583,136	- 2,583,136	
(93,722)	(16,378) (110,100)	
1,127,808	45,893 1,173,701	
<u>18,312,516</u>	<u>606,854</u>	<u>18,919,370</u>
(138,911)	(306,165)	(445,076)
<u>46,407,716</u>	<u>1,819,075</u>	<u>48,226,791</u>
<u>\$ 46,268,805</u>	<u>\$ 1,512,910</u>	<u>\$ 47,781,715</u>

PUTNAM COUNTY

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Auto License and Gas Tax	Brookhill Center School	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 19,260,800	\$ 5,492,650	\$ 6,740,672	\$ 14,774,683	\$ 46,268,805
Fund balances:					
Nonspendable	\$ 34,862	\$ -	\$ -	\$ -	\$ 34,862
Restricted	\$ -	\$ 5,492,650	\$ 6,740,672	\$ 12,159,898	\$ 24,393,220
Committed	\$ -	\$ -	\$ -	\$ 1,093,462	\$ 1,093,462
Assigned	\$ 3,621,914	\$ -	\$ -	\$ 1,521,323	\$ 5,143,237
Unassigned	\$ 15,604,024	\$ -	\$ -	\$ -	\$ 15,604,024
Total fund balances	<u>\$ 19,260,800</u>	<u>\$ 5,492,650</u>	<u>\$ 6,740,672</u>	<u>\$ 14,774,683</u>	<u>\$ 46,268,805</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PUTNAM COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Auto License and Gas Tax	Brookhill Center School	Other Governmental Funds	Total Governmental Funds
Receipts:					
Property taxes	\$ 3,130,533	\$ -	\$ 1,298,165	\$ 1,856,072	\$ 6,284,770
Sales taxes	6,308,762	-	-	260,464	6,569,226
Permissive license taxes	-	551,248	-	-	551,248
Charges for services	1,318,186	218,412	5,603	1,102,291	2,644,492
Licenses and permits	269,575	-	-	122,255	391,830
Fines and forfeitures	283,242	44,899	-	217,257	545,398
Intergovernmental	1,443,375	6,070,387	892,852	7,051,752	15,458,366
Payment in lieu of taxes	2,293	-	-	-	2,293
Special assessments	-	-	-	516,723	516,723
Investment income	2,529,299	258,270	-	58,204	2,845,773
Rental income	281,914	-	-	419,816	701,730
Other	670,577	29,730	75,387	352,114	1,127,808
Total receipts	<u>16,237,756</u>	<u>7,172,946</u>	<u>2,272,007</u>	<u>11,956,948</u>	<u>37,639,657</u>
Disbursements:					
Current:					
General government:					
Legislative and executive	4,258,210	-	-	644,760	4,902,970
Judicial	1,676,070	-	-	308,061	1,984,131
Public safety	4,485,378	-	-	2,890,322	7,375,700
Public works	115,908	6,185,318	-	-	6,301,226
Health	81,886	-	3,519,120	2,664,685	6,265,691
Human services	423,256	-	-	3,879,853	4,303,109
Conservation and recreation	-	-	-	1,147,458	1,147,458
Economic development and assistance	-	-	-	232,783	232,783
Miscellaneous	1,005,917	-	-	189,134	1,195,051
Capital outlay	-	-	-	3,750,628	3,750,628
Debt service:					
Principal retirement	-	-	-	12,563	12,563
Interest and fiscal charges	-	-	-	3,815	3,815
Total disbursements	<u>12,046,625</u>	<u>6,185,318</u>	<u>3,519,120</u>	<u>15,724,062</u>	<u>37,475,125</u>
Excess of receipts over (under) disbursements	<u>4,191,131</u>	<u>987,628</u>	<u>(1,247,113)</u>	<u>(3,767,114)</u>	<u>164,532</u>
Other financing sources (uses):					
Transfers in	-	-	-	1,125,688	1,125,688
Transfers out	(61,587)	-	(300,000)	(747,723)	(1,109,310)
Advances in	393,182	-	-	317,375	710,557
Advances out	(570,997)	-	-	(249,660)	(820,657)
Other financing uses	(209,721)	-	-	-	(209,721)
Total other financing sources (uses)	<u>(449,123)</u>	<u>-</u>	<u>(300,000)</u>	<u>445,680</u>	<u>(303,443)</u>
Net change in fund balances	3,742,008	987,628	(1,547,113)	(3,321,434)	(138,911)
Fund balances at beginning of year	<u>15,518,792</u>	<u>4,505,022</u>	<u>8,287,785</u>	<u>18,096,117</u>	<u>46,407,716</u>
Fund balances at end of year	<u>\$ 19,260,800</u>	<u>\$ 5,492,650</u>	<u>\$ 6,740,672</u>	<u>\$ 14,774,683</u>	<u>\$ 46,268,805</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PUTNAM COUNTY

STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2024

Business-Type Activities - Enterprise Funds			
	Nonmajor		
	Putnam County	Enterprise	
	EMS	Funds	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,085,259	\$ 427,651	\$ 1,512,910
Net position:			
Unrestricted	\$ 1,085,259	\$ 427,651	\$ 1,512,910

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PUTNAM COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN NET POSITION - CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Business-Type Activities - Enterprise Funds			
	Putnam County	Nonmajor	
	EMS	Enterprise	
		Funds	Total
Operating receipts:			
Charges for services	\$ 1,972,294	\$ 328,400	\$ 2,300,694
Other operating receipts	-	20,469	20,469
Total operating receipts	<u>1,972,294</u>	<u>348,869</u>	<u>2,321,163</u>
Operating disbursements:			
Personal services	2,201,625	253,169	2,454,794
Contract services	218,323	39,579	257,902
Materials and supplies	241,874	43,902	285,776
Other	-	46,739	46,739
Capital outlay	217,337	149,445	366,782
Total operating disbursements	<u>2,879,159</u>	<u>532,834</u>	<u>3,411,993</u>
Operating loss	<u>(906,865)</u>	<u>(183,965)</u>	<u>(1,090,830)</u>
Nonoperating receipts:			
Special assessments	-	198,280	198,280
Property taxes	571,487	-	571,487
Intergovernmental	5,852	-	5,852
Other nonoperating receipts	25,424	-	25,424
Total nonoperating receipts	<u>602,763</u>	<u>198,280</u>	<u>801,043</u>
Income (loss) before transfers and advances	<u>(304,102)</u>	<u>14,315</u>	<u>(289,787)</u>
Transfers out	-	(16,378)	(16,378)
Advances in	-	42,080	42,080
Advances out	-	(42,080)	(42,080)
Change in net position	<u>(304,102)</u>	<u>(2,063)</u>	<u>(306,165)</u>
Net position at beginning of year	<u>1,389,361</u>	<u>429,714</u>	<u>1,819,075</u>
Net position at end of year	<u><u>\$ 1,085,259</u></u>	<u><u>\$ 427,651</u></u>	<u><u>\$ 1,512,910</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PUTNAM COUNTY

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2024

	Custodial
Assets:	
Equity in pooled cash and cash equivalents	\$ 5,986,334
Cash in segregated accounts	<u>315,091</u>
 Total assets	 <u>6,301,425</u>
 Net position:	
Restricted for individuals, organizations and other governments	<u>\$ 6,301,425</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PUTNAM COUNTY

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Custodial
Additions:	
Intergovernmental	\$ 4,903,901
Amounts received as fiscal agent	7,119,141
Licenses, permits and fees for other governments	7,350,392
Fines and forfeitures for other governments	396,644
Property tax collection for other governments	37,575,035
Special assessments collections for other governments	93,141
Permissive license tax collected for other governments	758,300
Payment in lieu of taxes collected for other governments	9,888
EMS collections for other governments	1,777
Other custodial fund collections	<u>82,012</u>
Total additions	<u>58,290,231</u>
Deductions:	
Distributions to the State of Ohio	136,230
Distributions of state funds to other governments	4,903,901
Distributions as fiscal agent	7,354,374
Licenses, permits and fees distributions to other governments	7,243,830
Fines and forfeitures distributions to other governments	535,004
Property tax distributions to other governments	37,504,887
Special assessment distributions to other governments	93,141
Permissive license tax distributions to other governments	718,980
EMS distributions to other governments	2,207
Other custodial fund disbursements	<u>82,633</u>
Total deductions	<u>58,575,187</u>
Excess of deductions over additions	<u>(284,956)</u>
Other financing sources (uses):	
Advances in	211,542
Advances out	<u>(101,442)</u>
Total other financing sources (uses)	<u>110,100</u>
Net change in fiduciary net position	<u>(174,856)</u>
Net position beginning of year	<u>6,476,281</u>
Net position end of year	<u>\$ 6,301,425</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PUTNAM COUNTY

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

NOTE 1 – REPORTING ENTITY

Putnam County, Ohio (the County) is a body politic and corporate established in 1820 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, a Probate/Juvenile Court Judge, and a Municipal Court Judge.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize cash disbursements as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading.

A. Basis of Presentation

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Putnam County, this includes the Putnam County Board of Developmental Disabilities (DD), Putnam County Alcohol, Drug Addiction and Mental Health Services (ADAMHS), Putnam County Job and Family Services, and departments and activities that are directly operated by the elected County officials.

B. Component Units

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. The County is also financially accountable for any 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 also include legally separate, tax-exempt entities whose resources are for the direct benefit of the County, are accessible to the County and are significant in amount to the County. There are no component units presented on the County's 2024 financial statements.

Discretely Presented Component Unit

The Putnam County Land Reutilization Corporations (the Corporation) is a county land reutilization corporation that was formed on September 26, 2023 when the Putnam County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing economically non-productive land throughout Putnam County (the County). By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and return properties to productive use.

PUTNAM COUNTY

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

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the board of Directors of the corporation shall be composed of five members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. Separately issued financial statements can be obtained from the County Treasurer. The Corporation's activity during 2024 was not substantial enough to present as a discretely component unit

Potential Component Units Reported as Custodial Funds

As custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the separate organizations listed below, the County serves as fiscal agent, but the organizations are not considered part of Putnam County. Accordingly, the activity of the following organizations is reported as custodial funds within the financial statements:

Putnam County Soil and Water Conservation District
Putnam County Health Department
Putnam County Airport Authority

C. Jointly Governed Organizations and Public Risk Pools

The County participates in several jointly governed organizations and public entity risk pools and is associated with a related organization. These organizations are presented in Notes 18 and 19 to the basic financial statements. These organizations are:

Multi-Area Narcotics (MAN)
Blanchard River Stream Enhancement Project
Blanchard River Watershed Partnership
Ottawa River Stream Enhancement Project
Juvenile Residential Center of Northwest Ohio
Northwest Ohio Waiver Administration Council (NOWAC)
County Risk Sharing Authority, Inc. (CORS)
County Commissioners Association of Ohio Service Corporation (CCASOSC)
County Employee Benefit Consortium of Ohio, Inc. (CEBCO)

The County's management believes these financial statements present all activities for which the County is financially accountable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the County's accounting policies.

A. Basis of Presentation

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

PUTNAM COUNTY

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the County at year end. The statement of activities compares disbursements and program receipts for each program or function of the County's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level.

The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. The following are the County's major governmental funds:

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

PUTNAM COUNTY

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

Auto License and Gas Tax – This fund accounts for State levied, shared monies derived from gasoline taxes and the sale of motor vehicle licenses. Disbursements are restricted by State law to county road and bridge repair/improvement programs.

Brookhill Center School – This fund accounts for the operation of a school for the developmentally disabled, financed by a county-wide property tax levy and federal and state grants.

Other governmental funds of the County are used to account for:

Nonmajor special revenue funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Nonmajor capital projects funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Nonmajor debt service funds – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds

The County's proprietary funds consist of enterprise funds and are financed primarily from user charges for goods or services. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the County's major enterprise fund.

Putnam County Emergency Medical Services – This fund accounts for the daily operations of Putnam County Emergency Medical Services. Receipts are generated from ambulance fees and charges for medical services.

Other enterprise funds of the County are used to account for (1) sewer system, (2) sanitary landfill, and (3) Putnam Acres. These funds are nonmajor funds whose activity has been aggregated and presented in a single column in the fund financial statements.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are not available to support the County's own programs. The County has no trust funds.

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County's custodial funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent, which include the Putnam County Airport Authority, Putnam County Health Department, and the Putnam County Soil and Water Conservation District, and for taxes, state-levied shared revenues, and licenses, permits and fees collected and distributed to other political subdivisions.

C. Basis of Accounting

The County's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

PUTNAM COUNTY

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

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, function, and object level for all funds.

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

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

E. Cash and Investments

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through County records. Interest in the pool is presented as "Equity in pooled cash and cash equivalents".

Cash and cash equivalents and investments that are held separately within departments of the County and not included in the County treasury are recorded as "Cash in segregated accounts".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2024, the County invested in nonnegotiable certificates of deposit, STAR Ohio, United States Treasury Bills, United States Treasury Notes, and government money market accounts. Investments are reported at cost, except STAR Ohio.

PUTNAM COUNTY

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

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

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

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2024 were \$2,529,299 which includes \$1,540,824 assigned from other County funds.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. 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. Monies required to be set aside for postclosure costs at the landfill are also reported as restricted.

G. Inventory and Prepaid Items

The County reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Interfund Receivables/Payables

The County reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

The County had interfund loans payables/receivables at December 31, 2024.

J. Accumulated Leave

For 2024, GASB Statement No.101, "*Compensated Absences*", was effective. GASB 101 defines a compensated absence as 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.

County employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave.

PUTNAM COUNTY

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

This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the County's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

L. Pensions/Other Postemployment Benefits (OPEB)

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

M. Long-Term Obligations

The County's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset (including the intangible right to use) when entering into a lease, SBITA or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments, SBITA payments, and financed purchase payments are reported when paid.

N. Leases and SBITAS

Accruals related to leases (as defined by GASB 87) are not reflected under the County's cash basis of accounting. Lease receipts/disbursements are recognized when they are received/paid.

Accruals related to Subscription Based Information Technology Arrangement (SBITA) contracts (as defined by GASB 96) are not reflected under the County's cash basis of accounting. SBITA disbursements are recognized when they are paid.

O. Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. Subsequently, settlements have been reached with other distributors. For 2024, distributions of \$112,386 are reflected as fines and forfeitures revenue in the Opioid Settlement Special Revenue Fund in the accompanying financial statements.

P. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily include activities involving the upkeep of the County's roads and bridges, various mental health services, child support and welfare services, services for the handicapped and developmentally disabled, capital projects, and activities of the County's courts. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

PUTNAM COUNTY

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

Q. Fund Balance

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed.

In the General Fund, assigned amounts represent intended uses established by the County Commissioners or a County official delegated that authority by ordinance, or by State Statute. State Statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

R. Interfund Transactions

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

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/cash disbursements in proprietary funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

PUTNAM COUNTY

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

S. New Accounting Pronouncements

For 2024, GASB Statement No. 100, Accounting Changes and Error Corrections was effective. This GASB pronouncement had no effect on beginning net position/fund balance as the County had no accounting changes or error corrections related to 2024. See the Accumulated Leave section of Note 2 for discussion of the implementation of GASB Statement No. 101, Compensated Absences.

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

GASB Implementation Guide No. 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide No. 2021-1 did not have an effect on balances previously report by the County.

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

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the County.

GASB Implementation Guide No. 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide No. 2023-1 did not have an effect on the financial statements of the County.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of the County.

B. Compliance

Ohio Administrative Code, Section 117-2-03(B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

PUTNAM COUNTY

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

NOTE 4 – DEPOSITS AND INVESTMENTS

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
- 2.. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions of this state, proved the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to 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 and which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
 - b. Bankers acceptances of banks that are insured by the Federal Deposit Insurance Corporation and that mature not later than 180 days after purchase.

PUTNAM COUNTY

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

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. provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically 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.

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.

At year end, the County had \$248,974 in undeposited cash on hand which is included as part of "Equity in pooled cash and cash equivalents".

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$19,235,516 of the County's bank balance of \$23,544,518, including \$3,750,000 in nonnegotiable certificates of deposit, was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

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

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

Investments

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

PUTNAM COUNTY

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

Investment type	Carrying Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
STAR Ohio	\$ 28,357,291	\$ 28,357,291	\$ -	\$ -	\$ -
United States Treasury Bills	333,981	333,981	-	-	-
United States Treasury Notes	1,097,953	99,738	498,604	399,287	100,324
Government Money Market	812,022	812,022	-	-	-
Total investments	<u>\$ 30,601,247</u>	<u>\$ 29,603,032</u>	<u>\$ 498,604</u>	<u>\$ 399,287</u>	<u>\$ 100,324</u>

The weighted average of maturity of investments is 0.04 years.

Interest rate risk: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the County's investment policy limits portfolio maturities to five years or less.

Credit Risk: The U.S. Treasury Bills and U.S. Treasury Notes carry a rating of AA+ by Standards & Poor's. The County has no investment policy dealing with investment credit risk beyond the requirements in state statutes. STAR Ohio and U.S. government money market account must maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Treasury Bills and U.S. Treasury Notes are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the County's name.

The County has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of Credit Risk: The County places no limit on the amount it may invest in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2024:

Investment type	Carrying Value	% of Total
STAR Ohio	\$ 28,357,291	92.67
United States Treasury Bills	333,981	1.09
United States Treasury Notes	1,097,953	3.59
Government Money Market	812,022	2.65
Total	<u>\$ 30,601,247</u>	<u>100.00</u>

Reconciliation of Cash and Investments to the Statement of Net Position – Cash Basis

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2024:

PUTNAM COUNTY

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

Cash and investments per Footnote

Cash on hand	\$ 248,974
Carrying amount of deposits	23,232,919
Investments	<u>30,601,247</u>
Total	<u>\$ 54,083,140</u>

Cash and investments per Statement of Net Position – Cash Basis

Governmental activities	\$ 46,268,805
Business-Type activities	1,512,910
Custodial funds	<u>6,301,425</u>
Total	<u>\$ 54,083,140</u>

NOTE 5 – 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. Real property taxes assessed in 2024 are levied after October 1, 2024, on the assessed value as of January 1, 2024, the lien date, and are collected in and intended to finance 2025 operations. Assessed values are established by State law at 35 percent of appraised market value.

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. Assessed 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 County Treasurer collects property taxes on behalf of all taxing districts within 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.

The full tax rate for all County operations for the year ended December 31, 2024, was \$8.55 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2024 property tax receipts were based are as follows:

Real property

Residential	\$ 800,331,860
Agricultural	365,601,900
Commercial/industrial/mineral	90,415,240

Public utility

Real	1,264,830
Personal	<u>108,361,490</u>
Total assessed value	<u>\$ 1,365,975,320</u>

PUTNAM COUNTY

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

NOTE 6 – FUND BALANCES

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

Fund balance	Auto License and		Brookhill	Other	Total
	General Fund	Gas Tax Fund	Center School Fund	Governmental Funds	Governmental Funds
Nonspendable:					
Unclaimed monies	\$ 34,862	\$ -	\$ -	\$ -	\$ 34,862
Total nonspendable	34,862	-	-	-	34,862
Restricted:					
Legislative and executive programs	-	-	-	2,293,951	2,293,951
Judicial programs	-	-	-	638,343	638,343
Public safety programs	-	-	-	1,669,534	1,669,534
Public works projects	-	5,492,650	-	1,546	5,494,196
Health programs	-	-	6,740,672	3,634,263	10,374,935
Human services programs	-	-	-	1,350,601	1,350,601
Economic development programs	-	-	-	131,296	131,296
Conservation and recreation	-	-	-	70,978	70,978
Debt service	-	-	-	1,289	1,289
Capital projects	-	-	-	2,368,097	2,368,097
Total restricted	-	5,492,650	6,740,672	12,159,898	24,393,220
Committed:					
Human services programs	-	-	-	1,034,384	1,034,384
Economic development and assistance programs	-	-	-	59,072	59,072
Capital projects	-	-	-	6	6
Total committed	-	-	-	1,093,462	1,093,462
Assigned:					
Encumbrances - legislative and executive programs	204,010	-	-	-	204,010
Encumbrances - judicial programs	34,332	-	-	-	34,332
Encumbrances - public safety programs	154,740	-	-	-	154,740
Encumbrances - health programs	21,860	-	-	-	21,860
Encumbrances - human services programs	103,933	-	-	-	103,933
Encumbrances - other programs	1,174	-	-	-	1,174
Subsequent years' appropriations	3,101,865	-	-	-	3,101,865
Capital projects	-	-	-	1,521,323	1,521,323
Total assigned	3,621,914	-	-	1,521,323	5,143,237
Unassigned	15,604,024	-	-	-	15,604,024
Total fund balances	\$ 19,260,800	\$ 5,492,650	\$ 6,740,672	\$ 14,774,683	\$ 46,268,805

PUTNAM COUNTY

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

NOTE 7 – PERMISSIVE SALES AND USE TAX

The County Commissioners, by resolutions, imposed a 1.25 percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles, not subject to tax. The allocation of the sales tax is the first 0.5 percent and final 0.25 percent collected goes entirely to the General Fund. For the second 0.5 percent collected, 90 percent goes to the General Fund with the remaining 10 percent going to the Capital Projects Capital Improvements Fund.

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

NOTE 8 – DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset) and Net OPEB Liability (Asset)

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

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

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

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

The net pension liability (asset) and net OPEB liability (asset) are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the pension disclosures. See Note 9 for the OPEB disclosures.

PUTNAM COUNTY

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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

PUTNAM COUNTY

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

(Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
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 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 3.00 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 3.00 percent.

PUTNAM COUNTY

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00 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		
	Traditional	Combined	Law 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	<u>14.0 %</u>	<u>14.0 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>13.0 %</u>

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

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

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

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

The County's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,942,481 for 2024.

PUTNAM COUNTY

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

Net Pension Liabilities (Assets)

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:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Proportion of the net pension liability/asset prior measurement date	0.07462200%	0.08201200%	0.06396300%	
Proportion of the net pension liability/asset current measurement date	<u>0.07516800%</u>	<u>0.08549300%</u>	<u>0.06153000%</u>	
Change in proportionate share	<u>0.00054600%</u>	<u>0.00348100%</u>	<u>-0.00243300%</u>	
Proportionate share of the net pension liability	\$ 19,679,290	\$ -	\$ -	\$ 19,679,290
Proportionate share of the net pension asset	-	(262,790)	(6,864)	(269,654)

Actuarial Assumptions – OPERS

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

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

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

PUTNAM COUNTY

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

Wage inflation	
Current measurement date	2.75 percent
Prior measurement date	2.75 percent
Future salary increases, including inflation	
Current measurement date	2.75 percent to 10.75 percent including wage inflation
Prior measurement date	2.75 percent to 10.75 percent including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00 percent, simple
	Post 1/7/2013 retirees: 2.30 percent, simple
	through 2024, then 2.05 percent simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00 percent, simple
	Post 1/7/2013 retirees: 3.00 percent, simple
	through 2023, then 2.05 percent simple
Investment rate of return	
Current measurement date	6.9 percent
Prior measurement date	6.9 percent
Actuarial cost method	Individual entry age

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

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.20 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 weighing 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 Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

PUTNAM COUNTY

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

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	<u>5.00</u>	3.46
Total	<u>100.00 %</u>	

Discount Rate – The discount rate used to measure the total pension liability was 6.90 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 proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90 percent, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90 percent) or one-percentage-point higher (7.90 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 30,980,491	\$ 19,679,290	\$ 10,279,976
Combined Plan	(159,017)	(262,790)	(344,537)
Member-Directed Plan	(4,922)	(6,864)	(8,614)

NOTE 9 – POSTEMPLOYMENT BENEFITS

Net OPEB Asset

See Note 8 for a description of the net OPEB asset.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

PUTNAM COUNTY

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

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

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

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

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

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

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

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

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

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

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

Group A 30 years of qualified health care service credit;

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

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

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

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:

PUTNAM COUNTY

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

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
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 <i>December 31, 2021</i>	January 1, 2015 through <i>December 31, 2021</i>	January 1, 2015 through <i>December 31, 2021</i>
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 51.00 percent and 90.00 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, through the OPERS Connector. OPERS also will reimburse 50.00 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 10.00 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 20.00 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.

PUTNAM COUNTY

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.00 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2.00 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 4.00 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 \$27,073 for 2024.

Net OPEB Assets

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB 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:

<u>OPERS</u>	
Proportion of the net	
OPEB liability	
prior measurement date	0.07437200%
Proportion of the net	
OPEB asset	
current measurement date	<u>0.07485600%</u>
Change in proportionate share	<u>0.00048400%</u>
Proportionate share of the net	
OPEB asset	\$ (675,593)

Actuarial Assumptions – OPERS

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

PUTNAM COUNTY

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023.

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

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

PUTNAM COUNTY

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

Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.00 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. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

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

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

Discount Rate – A single discount rate of 5.70 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. 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.

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

PUTNAM COUNTY

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

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB liability/(asset)	\$ 371,286	\$ (675,593)	\$ (1,542,782)

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate – Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00 percent lower or 1.00 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 Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	\$ (703,646)	\$ (675,593)	\$ (643,762)

NOTE 10 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the County contracted with County Risk Sharing Authority, Inc. (CORS) for insurance coverage. The CORS program has a \$10,000 deductible. Coverage provided by CORS is in the amounts as follows:

General Liability	\$ 1,000,000
Law Enforcement Professional Liability	1,000,000
Automobile Liability	1,000,000
Errors and Omissions Liability	1,000,000
Ohio Stop Gap Employers' Liability	1,000,000
Employee Benefits Liability	1,000,000
Attorney Disciplinary Proceedings	25,000
Declaratory, Injunctive or Equitable Relief	25,000
Excess Liability	7,000,000
Privacy or Security Event Liability	1,000,000
Privacy Response Expenses	250,000
Regulatory Proceedings and Penalties	250,000
PCI-DSS Assessments	250,000
Electronic Equipment Data Network Interruption	250,000
Cyber Extortion	50,000
Property – Direct Physical Damage and Collapse	Per schedule
Equipment Breakdown	100,000,000
Schedule 1 and 2	50,000
Gross Earnings/Extra Expense	2,500,000
Contingent Business Interruption	100,000
Crime	1,000,000

PUTNAM COUNTY

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

With the exceptions of medical coverage, dental coverage for Board of Developmental Disabilities (DD) employees, and worker's compensation, all insurance is held with CORSA. There has been no significant reduction in insurance coverage from 2005 and settled claims have not exceeded this coverage in the past three years. The County pays all elected officials' bonds by statute.

For 2024, the County participated in the County Commissioners Association of Ohio Service Corporation, a worker's compensation group rating plan (Plan). 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 counties in the Plan. Each county pays its workers' compensation premium to the State based on the rate for the Plan rather than the county's individual rate.

In order to allocate the savings derived by the formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually 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 sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the County is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any county leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

The County provides employee medical and dental coverage through County Employee Benefit Consortium of Ohio, Inc. (CEBCO). Settled claims have not exceeded this coverage in the past three years.

The DD participates as a member of the Putnam County School Insurance Group, a public entity risk pool, administered by Huntington Insurance. DD converted its fully-insured medical insurance program to partial self-insurance through participation in this public entity risk pool. Medical Mutual of Ohio provides claim review and processing. The public entity risk pool maintains stop-loss coverage for its medical insurance program. Aggregate stop loss is maintained for expected claims.

NOTE 11 – DEBT

The County's long-term debt activity for the year ended December 31, 2024, was as follows:

	Interest Rate	Balance 12/31/23	Reductions	Balance 12/31/24	Amount Due in One Year
<u>Governmental Activities</u>					
OWDA Loan #5802	1.50%	\$ 257,524	\$ (12,563)	\$ 244,961	\$ 6,352

In 2011, the County obtained an Ohio Water Development Association (OWDA) loan, in the amount of \$404,811, with a 1.5 percent interest rate, for manhole relining. The loan will be repaid in semiannual installments over 31 years from transfers from the General Fund. This loan is considered a direct borrowing. Direct borrowings have terms negotiated directly between the County and the lender and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the County to pay any fines, penalties, interest, or late charges associated with the default. The following is a summary of the County's future annual debt service requirements:

PUTNAM COUNTY

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

Year Ended December 31,	OWDA Loan			Total
	Principal	Interest		
2025	\$ 6,352	\$ 1,837		\$ 8,189
2026	12,847	3,531		16,378
2027	13,040	3,338		16,378
2028	13,237	3,141		16,378
2029	13,436	2,942		16,378
2030-2034	70,278	11,614		81,892
2035-2039	75,730	6,162		81,892
2040-2042	40,041	906		40,947
Total	<u>\$ 244,961</u>	<u>\$ 33,471</u>		<u>\$ 278,432</u>

The Ohio Revised Code provides that net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 1 percent of the total assessed valuation of the County. The Revised Code further provides that total voted and unvoted net debt of the County less the same exempt debt shall never exceed a sum equal to 3 percent of the first \$100,000,000 of assessed valuation, plus 1.5 percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus 2.5 percent of such valuation in excess of \$300,000,000. The effects of the debt limitations at December 31, 2024, were an overall debt margin of \$32,649,383 and an unvoted debt margin of \$13,659,753.

NOTE 12 – POSTCLOSURE COSTS

State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The County's landfill was closed in 2001.

The County is required by state and federal laws and regulations to provide assurances that financial resources will be available to provide for post closure care and remediation or containment of environmental hazards at the landfill. The County has passed the financial accountability test in which the County has proven to be able to self-fund these future costs.

NOTE 13 – INTERFUND TRANSFERS

During 2024, the following transfers were made:

Transfers In	Transfers Out				Total
	General	Brookhill Center School	Other Governmental	Other Enterprise	
Other Governmental Funds	\$ 61,587	\$ 300,000	\$ 747,723	\$ 16,378	\$ 1,125,688

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

PUTNAM COUNTY

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

NOTE 14 – INTERFUND ADVANCES

During 2024, the following advances were made:

<u>Advances In</u>	<u>Advances Out</u>				
	<u>General</u>	<u>Other Governmental</u>	<u>Other Enterprise</u>	<u>Custodial</u>	<u>Total</u>
General Fund	\$ -	\$ 249,660	\$ 42,080	\$ 101,442	\$ 393,182
Other Governmental Funds	317,375	-	-	-	317,375
Other Enterprise Funds	42,080	-	-	-	42,080
Custodial Funds	211,542	-	-	-	211,542
Total	<u>\$ 570,997</u>	<u>\$ 249,660</u>	<u>\$ 42,080</u>	<u>\$ 101,442</u>	<u>\$ 964,179</u>

NOTE 15 – INTERFUND RECEIVABLES/PAYABLES

The County reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Interfund balances at December 31, 2024, consisted of receivables due to the General Fund in the amounts of \$149,000 payable from Custodial Funds and \$288,406 payable from Other Governmental Funds.

The balance due to the General Fund includes loans made to provide working capital for operations or projects.

NOTE 16 – CONTINGENT LIABILITIES

The County is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the County's financial condition.

Amounts grantor agencies pay to the County are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT

The Putnam County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on September 26, 2023 when the Putnam County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating, or reutilizing economically non-productive land throughout Putnam County (the County). The Corporation can potentially address parcels where the fair market value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon.

By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

PUTNAM COUNTY

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

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The term of office of each appointed director is two years.

The Corporation is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organization Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus", the Corporation's primary government and basic financial statements include components units which are defined as legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board and (1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the Corporation is legally entitled to or can otherwise access the organization's resources; or (3) the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Corporation is obligated for the debt of organization. The Corporation 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. The Corporation is a discretely presented component unit of Putnam County that had no substantial 2024 financial activity.

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

Multi-Area Narcotics (MAN)

Putnam County is a member of the Multi-Area Narcotics task force which is a jointly governed organization between Defiance, Williams, Fulton, Henry, Paulding, and Putnam Counties, the Village of Archbold, and the Cities of Defiance, Napoleon, and Bryan. The purpose of MAN is to act as a joint regional task force in the fight against narcotics. MAN is governed by a board consisting of the sheriffs and police chiefs of the respective counties and municipalities. The main source of revenue is from federal grants and local matching funds from the entities. In 2024, the County made a \$25,000 contribution to the MAN's operations. Information can be obtained from the Defiance County Sheriff's Office, 113 Beide Street, Defiance, Ohio 43512.

Blanchard River Stream Enhancement Project

The Joint Board of County Commissioners for the Blanchard River Stream Enhancement Project is a jointly governed organization among six counties. The Joint Board consists of eighteen members, the three county commissioners of each of the six counties. The Joint Board was formed to approve construction on the Blanchard River. Revenues are generated by assessments and a state grant. The County did not contribute to the project during 2024. The Hancock County Auditor serves as fiscal agent for this project.

Blanchard River Watershed Partnership

The Blanchard River Watershed Partnership is a jointly governed organization among six counties. The Board, working committees and a watershed coordinator serve together as a facilitator and coordinator of improving water quality issues like sediment and phosphorus reduction, failed septic systems and storm water. The County contributed \$2,000 to the project during 2024. The Hancock County Auditor serves as fiscal agent for this project.

PUTNAM COUNTY

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

Ottawa River Stream Enhancement Project

The Joint Board of County Commissioners for the Ottawa River Stream Enhancement Project is a jointly governed organization among five counties. The Joint Board consists of fifteen members, the three county commissioners of each of the five counties. The Joint Board was formed to approve construction on the Ottawa River, Hog Creek, and Little Hog Creek. Revenues are generated by assessments and a state grant. The County did not contribute to the project during 2024. The Allen County Auditor serves as fiscal agent for this project.

Juvenile Residential Center of Northwest Ohio

The Juvenile Residential Center of Northwest Ohio is a jointly governed organization between Ohio, (Defiance, Fulton, Hancock, Henry, Paulding, Putnam, Ottawa, Van Wert, Williams and Wood Counties). The Center provides juvenile rehabilitation and correction for juvenile offenders who would otherwise be eligible for commitment to the Ohio Department of Youth Services. The Center is controlled by a governing board consisting of the juvenile court judge from each of the participating counties. Each County's ability to influence the operations of the Center is limited to their representation on the governing board. Wood County serves as the fiscal agent.

Northwest Ohio Waiver Administration Council

Northwest Ohio Waiver Administration Council (NOWAC) is a jointly governed organization created under the provisions of Chapter 167 of the Ohio Revised Code. NOWAC is organized as a council of governments as a voluntary organization of local County Boards of Developmental Disabilities in Allen, Defiance, Fulton, Henry, Paulding, Putnam, Van Wert, and Williams Counties. NOWAC's Board of Council Members consists of the Superintendents of the member County Boards of Developmental Disabilities (County Boards of DD). The member County Boards of DD include: Allen, Defiance, Fulton, Henry, Paulding, Putnam, Van Wert, and Williams Counties. Each of the participating counties has equal representation and no financial responsibility. NOWAC's purpose is to foster a cooperative effort in regional planning, programming, and the implementation of regional plans and programs. Its primary function is to oversee and obtain contracted services for its clientele in member counties. These services include various types of assistance provided by outside individuals or health care organizations for living maintenance of disabled clients so they can remain in their homes. Putnam County contributed \$89,549 towards NOWAC operations in 2024. Complete financial statements can be obtained from the Northwest Ohio Waiver Administration Council, 815 East Second Street, Suite B, Defiance, Ohio 43512-2511.

NOTE 19 – PUBLIC ENTITY RISK POOLS

County Risk Sharing Authority, Inc.

The County Risk Sharing Authority, Inc. (CORS) is a jointly governed organization among approximately seventy counties in Ohio. CORS was formed as an Ohio not-for-profit corporation for the purpose of establishing the CORS Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORS.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORS are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board of Trustees. No county may have more than one representative on the Board of Trustees at any time. Each member county's control over the budgeting and financing of CORS is limited to its voting authority and any representation it may have on the Board of Trustees.

PUTNAM COUNTY

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

County Commissioners Association of Ohio Service Corporation

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

County Employee Benefit Consortium of Ohio, Inc.

The County is participating in an insurance group purchasing pool for employee benefit plan costs which was established under the authority granted by Section 9.833 of the Ohio Revised Code. The County Employee Benefit Consortium of Ohio, Inc. (CEBCO) was established to assist political subdivisions of the State of Ohio in controlling employee benefit plan costs. CEBCO is responsible for obtaining and providing to members within 90 days after the last day of the fiscal year, a written report by a member of the American Academy of Actuaries concerning the benefit program. This report shall certify whether the amounts reserved by CEBCO to cover potential cost of health care benefits for eligible officials, employees, and dependents are sufficient and are computed in accordance with accepted loss reserving standards. Each member political subdivision has a voting representative on the CEBCO Board.

NOTE 20 – TAX ABATEMENTS

On March 12, 2020, the County entered into a tax abatement agreement for the abatement of property taxes. The Alternative Energy Zone agreement entered into with Aurora Solar, LLC was authorized under Ohio Revised Code (ORC) through the Ohio Air Quality Development Authority. Under the agreement, new construction for the Powell Creek Solar Project is eligible for the reduction of up to 100 percent of the assessed value on the improvements of the property. Construction on the project has not been completed; therefore, no property taxes have been abated on the project for 2024. Under the agreement, Aurora Solar, LLC will make payment in lieu of taxes on a per megawatt basis as set forth in ORC section 5727.75(G) once the project is completed and in operation, as well as, payment in lieu of taxes during the construction period. During 2024, there were no payments in lieu of taxes received by the County.

On June 10, 2021, the County and Monroe Township have entered into a Memorandum of Understanding (MOU) for the future abatement of property taxes. The Alternative Energy Zone agreement entered into with Blue Harvest Solar Park, LLC was authorized under ORC through the Ohio Air Quality Development Authority. Under the agreement, new construction for the Blue Harvest Solar Park is eligible for the reduction of up to 100 percent of the assessed value on the improvements of the property. Under the agreement, Blue Harvest Solar, LLC is anticipated to make payments in lieu of taxes of approximately \$449,100 to the various local governments. Of that amount, \$179,720, or 40 percent, would be allocated to the County to be used for various purposes. No property taxes have been abated on the project for 2024.

PUTNAM COUNTY

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

NOTE 21 – CONTRACTUAL COMMITMENTS

During 2024, the County had the following outstanding contractual commitments:

<u>Vendor</u>	Total Contract	Amount Paid	Remaining Commitment 12/31/2024
Buckeye Fab	\$ 8,200	\$ -	\$ 8,200
Brooky's	45,000	-	45,000
Kalida Truck Equipment	219,100	-	219,100
Chevrolet of Ottawa	53,000	-	53,000
Powerplan	69,008	-	69,008
Total	\$ 394,308	\$ -	\$ 394,308

PUTNAM COUNTY

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Over (Under)	
			Budgetary Basis			
	Original	Final				
Budgetary receipts:						
Real and other taxes	\$ 3,160,895	\$ 3,160,895	\$ 3,130,533	\$ (30,362)		
Sales taxes	5,000,000	5,000,000	6,308,762	1,308,762		
Charges for services	1,150,560	1,150,560	1,286,799	136,239		
Licenses and permits	1,040	1,040	1,415	375		
Fines and forfeitures	237,000	237,000	283,242	46,242		
Intergovernmental	1,271,006	1,271,006	1,443,375	172,369		
Payment in lieu of taxes	3,000	3,000	2,293	(707)		
Investment income	1,000,000	1,000,000	2,515,393	1,515,393		
Rental income	277,000	277,000	281,914	4,914		
Other	545,000	545,000	651,623	106,623		
Total budgetary receipts	<u>12,645,501</u>	<u>12,645,501</u>	<u>15,905,349</u>	<u>3,259,848</u>		
Budgetary disbursements:						
Current:						
General government:						
Legislative and executive	3,949,462	4,738,228	4,291,185	(447,043)		
Judicial	1,727,772	1,795,302	1,493,421	(301,881)		
Public safety	5,280,352	5,324,047	4,640,122	(683,925)		
Public works	126,000	126,000	115,908	(10,092)		
Health	6,500	107,471	103,746	(3,725)		
Human services	546,295	546,414	527,189	(19,225)		
Miscellaneous	909,075	1,810,734	1,000,585	(810,149)		
Total budgetary disbursements	<u>12,545,456</u>	<u>14,448,196</u>	<u>12,172,156</u>	<u>(2,276,040)</u>		
Budgetary excess of receipts over (under) disbursements	<u>100,045</u>	<u>(1,802,695)</u>	<u>3,733,193</u>	<u>5,535,888</u>		
Budgetary other financing sources (uses):						
Transfers in	-	-	61,587	61,587		
Transfers out	-	-	(61,587)	(61,587)		
Advances in	-	-	393,182	393,182		
Advances out	-	-	(570,997)	(570,997)		
Other financing uses	(206,100)	(210,600)	(209,721)	879		
Total budgetary other financing sources (uses)	<u>(206,100)</u>	<u>(210,600)</u>	<u>(387,536)</u>	<u>(176,936)</u>		
Net change in fund balance	(106,055)	(2,013,295)	3,345,657	5,358,952		
Budgetary fund balance at beginning of year	13,970,254	13,970,254	13,970,254	-		
Prior year encumbrances appropriated	<u>250,809</u>	<u>250,809</u>	<u>250,809</u>	<u>-</u>		
Budgetary fund balance at end of year	<u>\$ 14,115,008</u>	<u>\$ 12,207,768</u>	<u>\$ 17,566,720</u>	<u>\$ 5,358,952</u>		

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

PUTNAM COUNTY

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
AUTO LICENSE AND GAS TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with	
	Original	Final		Budgetary	Final Budget
			Basis	Over (Under)	Actual Amounts
Budgetary receipts:					
Permissive license taxes	\$ 540,000	\$ 540,000	\$ 551,248	\$ 11,248	
Charges for services	150,000	150,000	218,412	68,412	
Fines and forfeitures	30,000	30,000	44,899	14,899	
Intergovernmental	5,325,000	5,325,000	6,070,386	745,386	
Investment income	30,000	30,000	258,270	228,270	
Other	50,000	50,000	29,730	(20,270)	
Total budgetary receipts	<u>6,125,000</u>	<u>6,125,000</u>	<u>7,172,945</u>	<u>1,047,945</u>	
Budgetary disbursements:					
Public works	<u>6,371,485</u>	<u>6,992,485</u>	<u>6,635,052</u>	<u>(357,433)</u>	
Net change in fund balance	(246,485)	(867,485)	537,893	1,405,378	
Budgetary fund balance at beginning of year	<u>4,258,537</u>	<u>4,258,537</u>	<u>4,258,537</u>	<u>-</u>	
Prior year encumbrances appropriated	<u>246,485</u>	<u>246,485</u>	<u>246,485</u>	<u>-</u>	
Budgetary fund balance at end of year	<u><u>\$ 4,258,537</u></u>	<u><u>\$ 3,637,537</u></u>	<u><u>\$ 5,042,915</u></u>	<u><u>\$ 1,405,378</u></u>	

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

PUTNAM COUNTY

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
BROOKHILL CENTER SCHOOL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under) Actual Amounts
	Original	Final		
			Budgetary Basis	
Budgetary receipts:				
Real and other taxes	\$ 1,300,737	\$ 1,300,737	\$ 1,298,165	\$ (2,572)
Charges for services	-	-	5,603	5,603
Intergovernmental	567,362	567,362	892,852	325,490
Other	-	-	75,387	75,387
Total budgetary receipts	<u>1,868,099</u>	<u>1,868,099</u>	<u>2,272,007</u>	<u>403,908</u>
Budgetary disbursements:				
Health	<u>5,788,129</u>	<u>6,145,133</u>	<u>3,685,231</u>	<u>(2,459,902)</u>
Budgetary excess of disbursements over receipts	<u>(3,920,030)</u>	<u>(4,277,034)</u>	<u>(1,413,224)</u>	<u>2,863,810</u>
Budgetary other financing uses:				
Transfers out	-	(600,000)	(300,000)	300,000
Net change in fund balance	(3,920,030)	(4,877,034)	(1,713,224)	3,163,810
Budgetary fund balance at beginning of year	8,151,656	8,151,656	8,151,656	-
Prior year encumbrances appropriated	<u>136,129</u>	<u>136,129</u>	<u>136,129</u>	<u>-</u>
Budgetary fund balance at end of year	<u><u>\$ 4,367,755</u></u>	<u><u>\$ 3,410,751</u></u>	<u><u>\$ 6,574,561</u></u>	<u><u>\$ 3,163,810</u></u>

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

PUTNAM COUNTY

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

NOTE 1 – BUDGETARY PROCESS

The budget basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Schedule of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General, Auto License and Gas Tax, and Brookhill Center School Funds are prepared on the budget basis to provide a meaningful comparison of actual results with the budget. The difference between the budget basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budget basis) rather than as restricted, committed or assigned fund balance (cash basis).
2. Some funds are included in the General Fund (cash basis) but have separate legally adopted budgets (budget basis).

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

	General Fund	Auto License and Gas Tax Fund	Brookhill Center School Fund
Budget basis	\$ 3,345,657	\$ 537,893	\$ (1,713,224)
Net adjustment for receipts	504	-	-
Funds budgeted elsewhere	(119,670)	-	-
Adjustment for encumbrances	<u>515,517</u>	<u>449,735</u>	<u>166,111</u>
Cash basis	<u><u>\$ 3,742,008</u></u>	<u><u>\$ 987,628</u></u>	<u><u>\$ (1,547,113)</u></u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate Special Revenue Funds are considered part of the General Fund. This includes the Workers' Compensation Group, Clerk of Courts Title Administration, Unclaimed Cost and Monies, Recorder Equipment Fee, Medicaid Local Sales Tax, Payroll Work, and General Tax Prepayment Funds.

PUTNAM COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> <i>Program / Cluster Title</i>	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Job and Family Services</i>				
Job and Family Services				
Supplemental Nutrition Assistance Program Cluster:				
State Administrative Matching Grants for the				
Supplemental Nutrition Assistance Program	10.561	G-2425-11-6191		\$ 123,280
Total U.S. Department of Agriculture				\$ 123,280
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Ohio Department of Development</i>				
County Commissioners				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				
Community Development Block Grant	14.228	B-F-23-1CL-1		19,713
Community Development Block Grant CHIP	14.228	B-C-23-1CL-1		162,070
Total U.S. Department of Housing and Urban Development				181,783
U.S. DEPARTMENT OF TREASURY				
<i>Direct Assistance</i>				
County Commissioners				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2024		1,393,995
<i>Passed Through Ohio Department of Development</i>				
County Commissioners				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2024		293,537
<i>Passed Through Ohio Department of Aging</i>				
Council on Aging				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2024		151,077
<i>Passed Through Ohio Department of Job and Family Services</i>				
Job and Family Services				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2024		1,016
Total U.S. Department of Treasury				1,839,625
U.S. DEPARTMENT OF LABOR				
<i>Passed Through Montgomery County Workforce Investment Act Area 7</i>				
Job and Family Services				
Workforce Innovation and Opportunity Act Cluster:				
WIOA Adult Program	17.258	2020/21-7169-1/2024-25-7169-1		66,488
WIOA Youth Activities	17.259	2020/21-7169-1/2024-25-7169-1		87,768
WIOA Dislocated Worker Formula Grants	17.278	2020/21-7169-1/2024-25-7169-1		48,960
Total Workforce Innovation and Opportunity Act Cluster				203,216
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	17.207	2020/21-7169-1/2024-25-7169-1		3,457
Trade Adjustment Assistance	17.245	2020/21-7169-1/2024-25-7169-1		444
Unemployment Insurance	17.225	2020/21-7169-1/2024-25-7169-1		21,925
Total U.S. Department of Labor				229,042
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation</i>				
County Engineer				
Highway Planning and Construction	20.205	PID #119012		216,572
Highway Planning and Construction	20.205	PID #117598		455,452
Highway Planning and Construction	20.205	PID #114414		32,319
Total U.S. Department of Transportation				704,343
U.S. DEPARTMENT OF ELECTION ASSISTANCE COMMISSION				
<i>Passed Through Ohio Secretary of State</i>				
Board of Elections				
2018 HAVA Election Security Grants	90.404	N/A		8,608
Total U.S. Department of Election Assistance Commission				8,608

(continued)

PUTNAM COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Job and Family Services</i>				
Job and Family Services Department				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2425-11-6191		36,905
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2425-11-6191		25,776
Temporary Assistance for Needy Families	93.558	G-2425-11-6191		382,716
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2425-11-6191		5,529
Child Care and Development Funds Cluster:				
Child Care and Development Block Grant	93.575	G-2425-11-6191		27,374
Children's Health Insurance Program	93.767	G-2425-11-6191		852
Child Support Services	93.563	G-2425-11-6191		219,898
Foster Care Title IV-E	93.658	G-2425-11-6191		56,487
Adoption Assistance	93.659	G-2425-11-6191		86,100
Social Services Block Grant	93.667	G-2425-11-6191		318,309
Elder Abuse Prevention Interventions Program	93.747	G-2425-11-6191		21,161
Medicaid Cluster:				
Grants to States for Medicaid	93.778	G-2425-11-6191		262,148
Total Job and Family Services Department				1,443,255
<i>Passed Through Ohio Department of Mental Health and Addiction Services</i>				
Alcohol, Drug Addiction and Mental Health Services Board				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	FY24 / FY25	\$ 136,995	136,995
Opioid STR	93.788	FY24 / FY25	795,486	821,077
Block Grants for Community Mental Health Services	93.958	FY24 / FY25	45,899	45,899
Social Services Block Grant	93.667	FY24 / FY25	16,677	16,677
Total Alcohol, Drug Addiction and Mental Health Services Board			995,057	1,020,648
<i>Passed Through Ohio Department of Developmental Disabilities</i>				
Developmental Disabilities Board				
Social Services Block Grant	93.667	2401OHSOSR		17,519
Total Social Services Block Grant - AL #93.667			16,677	352,505
Total U.S. Department of Health and Human Services			995,057	2,481,422
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Department of Emergency Management</i>				
Emergency Management Agency				
Emergency Management Performance Grants	97.042	EMC-2023-EP-00003		17,204
Total U.S. Department of Homeland Security				17,204
Total Expenditures of Federal Awards			\$ 995,057	\$ 5,585,307

The accompanying notes are an integral part of this schedule.

PUTNAM 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 Putnam County, Ohio (the County) under programs of the federal government for the year ended December 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position 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 / 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

The County passes certain federal awards received from the Ohio Department of Mental Health and Addiction Services to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

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

NOTE E – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current cash balance on the County's CDBG local program income account as of December 31, 2024 is \$40,303.

The current cash balance on the County's HOME local program income account as of December 31, 2024 is \$71,702.

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.

NOTE G – EMERGENCY MANAGEMENT PERFORMANCE GRANTS

For the year ended December 31, 2023, the County expended \$15,207 for the Emergency Management Performance Grants, AL #97.042 that was inadvertently not included on the Schedule of Expenditures of Federal Awards for the year ended December 31, 2023.



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**

Putnam County
245 East Main Street
Suite 201
Ottawa, Ohio 45875-1968

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Putnam County, Ohio (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 11, 2025, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

Putnam County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2024-001.

County's Response to Finding

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

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



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

September 11, 2025



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

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

Putnam County
245 East Main Street
Suite 201
Ottawa, Ohio 45875-1968

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Putnam 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.

Putnam 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 2

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.

Putnam County

Independent Auditor's Report on Compliance with Requirements

Applicable to Each Major Federal Program and on Internal Control Over
Compliance Required by the Uniform Guidance

Page 3

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

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

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

KEITH FABER
Ohio Auditor of State



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

September 11, 2025

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PUTNAM 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)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction – AL #20.205 Coronavirus State and Local Fiscal Recovery Funds – AL #21.027
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2024-001

Noncompliance

Ohio Rev. Code § 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

Ohio Admin. Code 117-2-03(B) requires the County to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

The County prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the cash basis of accounting rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38 the County may be fined for its failure to file the required financial report. Failure to report on a GAAP basis compromises the County's ability to evaluate and monitor the overall financial condition of the County. To help provide the users with more meaningful financial statements, the County should prepare its annual financial statements according to generally accepted accounting principles.

Officials' Response:

See Corrective Action Plan

3. FINDINGS FOR FEDERAL AWARDS

None

**BOARD OF COMMISSIONERS
OF PUTNAM COUNTY**
245 E. MAIN STREET, SUITE 101
OTTAWA, OHIO 45875-1968
PHONE: 419-523-3656
FAX: 419-523-9213

COMMISSIONERS:
 John C. Schlumbohm
 Brad Brubaker
 Tim Wehri

CLERK:
 Cindy M. Landwehr
GRANTS/WAGE COORDINATOR:
 Ashley M. Siefker
RECYCLING COORDINATOR:
 Alaina L. Siefker

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

Finding Number	Finding Summary	Status	Additional Information
2023-001	This finding was first reported in 2001. Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(B) for reporting on a basis other than generally accepted accounting principles.	Not corrected and reissued as Finding 2024-001 in this report.	In 2002, the Putnam County Auditor advised the Putnam County Board of Commissioners the Auditor's Office would be following the cash basis of accounting when preparing its financial reports. The Putnam County Auditor determined the costs of preparing the county financial reports in accordance with generally accepted accounting principles outweighed the benefits derived from these reports. The Putnam County Auditor annually reviews the decision to prepare financial reports following the cash basis of accounting.

**BOARD OF COMMISSIONERS
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GRANTS/WAGE COORDINATOR:
Ashley M. Siefker
RECYCLING COORDINATOR:
Alaina L. Siefker

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

Finding Number:

2024-001

Planned Corrective Action:

In 2002, the Putnam County Auditor advised the Putnam County Board of Commissioners the Auditor's Office would be following the cash basis of accounting when preparing its financial reports. The Putnam County Auditor determined the costs of preparing the county financial reports in accordance with generally accepted accounting principles outweighed the benefits derived from these reports. Specifically, in order to comply with generally accepted accounting principles, the Putnam County Auditor would be required to hire a consulting firm to assist with the conversion and would also be required to hire an appraisal firm to assist in determining the value of all assets including infrastructure. The Putnam County Auditor annually reviews the decision to prepare financial reports following the cash basis of accounting.

Anticipated Completion Date:
Responsible Contact Person:

N/A

Robert Benroth, County Auditor

OHIO AUDITOR OF STATE KEITH FABER



PUTNAM 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