



**SANDUSKY COUNTY
DECEMBER 31, 2024**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements:	
Balance Sheet	
Governmental Funds.....	20
Reconciliation of Total Governmental Fund Balances to	
Net Position of Governmental Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Position	
Proprietary Funds	24
Statement of Revenues, Expenses and	
Changes in Net Position	
Proprietary Funds	25
Statement of Cash Flows	
Proprietary Funds	26
Statement of Fiduciary Net Position	
Fiduciary Funds	27
Statement of Changes in Fiduciary Net Position	
Fiduciary Funds	28
Notes to the Basic Financial Statements.....	29
Schedules of the Required Supplementary information:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)	
General Fund	113

**SANDUSKY COUNTY
DECEMBER 31, 2024**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Schedules of the Required Supplementary information (Continued):	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) County Board of Developmental Disabilities	114
Schedule of the County's Proportionate Share of the Net Pension Liability and Schedule of County Pension Contributions Ohio Public Employees Retirement System (OPERS) – Traditional Plan.....	115
Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Pension Contributions Ohio Public Employees Retirement System (OPERS) – Combined Plan	116
Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Pension Contributions Ohio Public Employees Retirement System (OPERS) – Member Directed Plan	117
Schedule of the County's Proportionate Share of the Net Pension Liability and Schedule of County Pension Contributions State Teachers Retirement System (STRS) of Ohio	118
Schedule of the County's Proportionate Share of the Net OPEB Liability/(Asset) and Schedule of County OPEB Contributions Ohio Public Employees Retirement System (OPERS)	119
Schedule of the County's Proportionate Share of the Net OPEB Liability/(Asset) and Schedule of County OPEB Contributions State Teachers Retirement System (STRS) of Ohio	120
Notes to the Required Supplementary Information.....	121
Schedule of Expenditures of Federal Awards	127
Notes to the Schedule of Expenditures of Federal Awards.....	130
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	133
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	135
Schedule of Findings	139

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INDEPENDENT AUDITOR'S REPORT

Sandusky County
100 North Park Avenue
Fremont, Ohio 43420-2472

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2025, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

September 19, 2025

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SANDUSKY COUNTY

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

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

Financial Highlights

Key financial highlights for 2024 are as follows:

- The total net position of the County increased \$4,740,742 from 2024. Net position of governmental activities increased \$4,755,421, which represents a 5.14% increase from the 2023 restated balances. Net position of business-type activities decreased \$14,679, or 0.25% from the 2023 restated balances.
- General revenues accounted for \$41,355,889 or 50.45% of total governmental activities revenue. Program specific revenues accounted for \$40,619,611 or 49.55% of total governmental activities revenue.
- The County had \$77,220,079 in expenses related to governmental activities; \$40,619,611 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily property and sales taxes) of \$41,355,889 were more than adequate to provide for these programs.
- The General fund, the County's largest major fund, had revenues and other financing sources of \$28,297,556 in 2024, an increase of \$870,132 or 3.17% from 2023 revenues and other financing sources. The General fund had expenditures and other financing uses of \$31,561,552 in 2024, an increase of \$5,673,254 or 21.91% from 2023 expenditures and other financing uses. The fund balance of the General fund decreased \$3,263,996 from 2023 to 2024.
- The County Board of Developmental Disabilities (DD) fund, a County major fund, had revenues of \$13,286,892 in 2024. The County Board of DD fund had expenditures of \$11,763,103 in 2024. The fund balance of the County Board of DD fund increased \$1,523,789 from 2023 to 2024.
- The General fund's original budgeted revenues and other financing sources of \$21,820,403 were \$1,500,000 less than the final budgeted revenues and other financing sources of \$23,320,403. Actual revenues and other financing sources of \$23,718,065 were more than final budgeted revenues and other financing sources by \$397,662. The original budgeted appropriations and other financing uses of \$23,604,804 were less than final budgeted appropriations and other financing uses by \$6,876,161. The final budgeted appropriations and other financing uses of \$30,480,965 were greater than actual expenditures and other financing uses of \$29,191,593 by \$1,289,372.

Using the Basic Financial Statements (BFS)

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

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

SANDUSKY COUNTY

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

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities answer the question, how did we do financially during 2024? These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position. This change in net position is important because it tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, and other factors.

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

Governmental activities - Most of the County's programs and services are reported here including human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including Federal and State grants and other shared revenues.

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

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the General fund and the County Board of Developmental Disabilities (DD) fund.

Governmental Funds

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

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

SANDUSKY COUNTY

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

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

Proprietary Funds

The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its sanitary sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for a self-funded workers compensation insurance program for employees of the County and several governmental units within the County. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's General fund and County Board of Developmental Disabilities (DD) fund budgetary schedule(s), net pension liability/asset, net OPEB liability/asset.

Government-Wide Financial Analysis

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

SANDUSKY COUNTY

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

	Net Position					
	Governmental Activities	Business-type Activities	Restated	Restated	2024 Total	Restated 2023 Total
			Governmental Activities	Business-type Activities		
	2024	2024	2023	2023		
<u>Assets</u>						
Current and other assets	\$115,918,832	\$1,236,141	\$ 100,260,339	\$ 1,172,877	\$ 117,154,973	\$ 101,433,216
Capital assets	<u>56,135,491</u>	<u>11,058,564</u>	<u>54,255,606</u>	<u>11,465,240</u>	<u>67,194,055</u>	<u>65,720,846</u>
Total assets	<u>172,054,323</u>	<u>12,294,705</u>	<u>154,515,945</u>	<u>12,638,117</u>	<u>184,349,028</u>	<u>167,154,062</u>
Deferred outflows	<u>14,840,360</u>	<u>174,380</u>	<u>21,796,020</u>	<u>261,669</u>	<u>15,014,740</u>	<u>22,057,689</u>
Total assets and deferred outflows	<u>186,894,683</u>	<u>12,469,085</u>	<u>176,311,965</u>	<u>12,899,786</u>	<u>199,363,768</u>	<u>189,211,751</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	67,826,022	6,574,387	63,781,388	6,990,834	74,400,409	70,772,222
Other liabilities	<u>4,073,068</u>	<u>85,460</u>	<u>4,294,874</u>	<u>77,467</u>	<u>4,158,528</u>	<u>4,372,341</u>
Total liabilities	<u>71,899,090</u>	<u>6,659,847</u>	<u>68,076,262</u>	<u>7,068,301</u>	<u>78,558,937</u>	<u>75,144,563</u>
Deferred inflows	<u>17,662,190</u>	<u>18,293</u>	<u>15,657,721</u>	<u>25,861</u>	<u>17,680,483</u>	<u>15,683,582</u>
Total liabilities and deferred inflow	<u>89,561,280</u>	<u>6,678,140</u>	<u>83,733,983</u>	<u>7,094,162</u>	<u>96,239,420</u>	<u>90,828,145</u>
<u>Net Position</u>						
Net investment in capital assets	44,518,638	5,167,506	42,166,360	5,211,471	49,686,144	47,377,831
Restricted	60,967,401	19,594	41,121,127	2,959	60,986,995	41,124,086
Unrestricted (deficit)	<u>(8,152,636)</u>	<u>603,845</u>	<u>9,290,495</u>	<u>591,194</u>	<u>(7,548,791)</u>	<u>9,881,689</u>
Total net position	<u>\$ 97,333,403</u>	<u>\$ 5,790,945</u>	<u>\$ 92,577,982</u>	<u>\$ 5,805,624</u>	<u>\$ 103,124,348</u>	<u>\$ 98,383,606</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB, net pension/OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability/asset. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.

SANDUSKY COUNTY

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

2. Minus plan assets available to pay these benefits.

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2024, the County's assets and deferred inflows of resources exceeded liabilities and deferred outflows of resources by \$103,124,348. This amounts to \$97,333,403 in governmental activities and \$5,790,945 in business-type activities.

Capital assets reported on the government-wide statements represent the largest portion of the County's net position. At year-end, capital assets represented 36.45% of total governmental and business-type assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles, intangible right to use assets, construction in progress, water and sewer lines and infrastructure. The net investment in capital assets at December 31, 2024, for governmental activities was \$44,518,638. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital position is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the County's net position for governmental activities, \$60,967,401, represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental activities is an unrestricted deficit net position of \$8,152,636.

The table on the following page shows the changes in net position for 2024 and 2023. The net position as of December 31, 2023, was restated as described in Note 3.B.

SANDUSKY COUNTY

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

	Change in Net Position					
			Restated	Restated		
	Governmental	Business-type	Governmental	Business-type		Restated
	Activities	Activities	Activities	Activities	2024	2023
	2024	2024	2023	2023	Total	Total
Revenues						
Program revenues:						
Charges for services and sales	\$ 12,578,518	\$ 1,923,029	\$ 11,228,183	\$ 1,916,909	\$ 14,501,547	\$ 13,145,092
Operating grants and contributions	26,185,562	13,752	27,399,894	13,752	26,199,314	27,413,646
Capital grants and contributions	<u>1,855,531</u>	<u>-</u>	<u>267,929</u>	<u>-</u>	<u>1,855,531</u>	<u>267,929</u>
Total program revenues	<u>40,619,611</u>	<u>1,936,781</u>	<u>38,896,006</u>	<u>1,930,661</u>	<u>42,556,392</u>	<u>40,826,667</u>
General revenues:						
Property taxes	18,590,458	-	16,777,484	-	18,590,458	16,777,484
Sales tax	14,737,933	-	15,050,997	-	14,737,933	15,050,997
Unrestricted grants	3,027,009	-	3,491,377	-	3,027,009	3,491,377
Investment earnings	2,363,171	29,575	1,593,064	11,023	2,392,746	1,604,087
Change in fair value of investments	1,052,544	-	988,339	-	1,052,544	988,339
Sale of assets	-	-	1,239,750	-	-	1,239,750
Miscellaneous	<u>1,584,774</u>	<u>6,529</u>	<u>2,605,517</u>	<u>5,228</u>	<u>1,591,303</u>	<u>2,610,745</u>
Total general revenues	<u>41,355,889</u>	<u>36,104</u>	<u>41,746,528</u>	<u>16,251</u>	<u>41,391,993</u>	<u>41,762,779</u>
Total revenues	<u>81,975,500</u>	<u>1,972,885</u>	<u>80,642,534</u>	<u>1,946,912</u>	<u>83,948,385</u>	<u>82,589,446</u>
Expenses						
Program expenses:						
General government	20,193,905	-	22,378,149	-	20,193,905	22,378,149
Public safety	18,998,114	-	18,511,657	-	18,998,114	18,511,657
Public works	7,305,230	-	7,265,271	-	7,305,230	7,265,271
Health	726,869	-	733,138	-	726,869	733,138
Human services	28,011,215	-	26,732,286	-	28,011,215	26,732,286
Economic development and assistance	1,173,457	-	1,662,029	-	1,173,457	1,662,029
Intergovernmental	215,400	-	201,000	-	215,400	201,000
Other	4,651	-	5,337	-	4,651	5,337
Interest and fiscal charges	591,238	-	292,971	-	591,238	292,971
Sanitary sewer	<u>-</u>	<u>1,987,564</u>	<u>-</u>	<u>2,092,780</u>	<u>1,987,564</u>	<u>2,092,780</u>
Total expenses	<u>77,220,079</u>	<u>1,987,564</u>	<u>77,781,838</u>	<u>2,092,780</u>	<u>79,207,643</u>	<u>79,874,618</u>
Change in net position before transfers	4,755,421	(14,679)	2,860,696	(145,868)	4,740,742	2,714,828
Transfers	<u>-</u>	<u>-</u>	<u>(36,228)</u>	<u>36,228</u>	<u>-</u>	<u>-</u>
Change in net position	4,755,421	(14,679)	2,824,468	(109,640)	4,740,742	2,714,828
Net position at the beginning of the year, restated	<u>92,577,982</u>	<u>5,805,624</u>	<u>N/A</u>	<u>N/A</u>	<u>98,383,606</u>	<u>N/A</u>
Net position at the end of the year	<u>\$ 97,333,403</u>	<u>\$ 5,790,945</u>	<u>\$ 92,577,982</u>	<u>\$ 5,805,624</u>	<u>\$ 103,124,348</u>	<u>\$ 98,383,606</u>

SANDUSKY COUNTY

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

Governmental Activities

Governmental net position increased by \$4,755,421 in 2024.

Overall, expenses of the governmental activities decreased \$561,759 or 0.72%.

Human services expenses, which support the operations of the County Board of DD, Job and Family Services, Veteran Services, and the Children Services Board, account for \$28,011,215 expenses, or 36.27% of total governmental expenses of the County. These expenses were funded by \$510,894 in charges to users of services and \$16,342,727 in operating grants and contributions in 2024.

General government expenses, which includes legislative and executive and judicial programs, totaled \$20,193,905 or 26.15% of total governmental expenses. General government expenses were covered by \$4,911,371 direct charges to users, \$716,081 in operating grants and contributions and \$30,632 in capital grants and contributions in 2024.

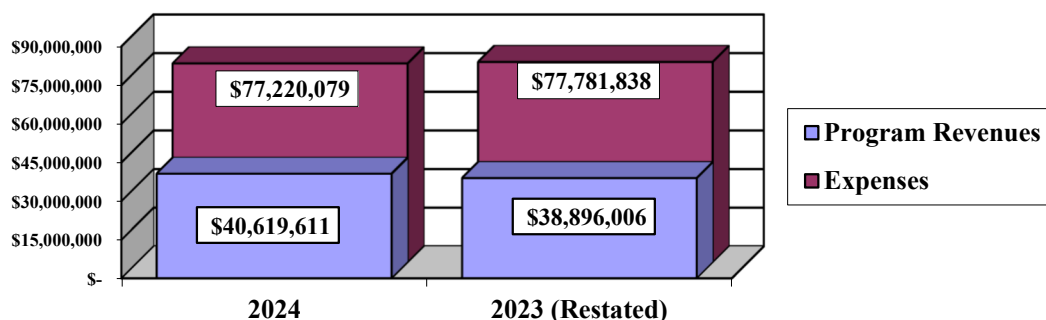
Public safety expenses totaled \$18,998,114 or 24.60% of total governmental expenses. Public safety expenses were covered by \$6,207,452 direct charges to users and \$1,418,569 in operating in 2024.

The State and Federal government contributed to the County revenues of \$26,185,562 in operating grants and contributions and \$1,855,531 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions \$16,342,727, or 62.41%, subsidized human services programs.

Governmental general revenues totaled \$41,355,889 and amounted to 50.45% of total revenues. These revenues primarily consist of property and sales tax revenue of \$33,328,391, or 80.59% of total governmental general revenues in 2024. The other primary source of general revenues is grants and entitlements not restricted to specific programs, which consists primarily of local government revenue and property tax reimbursements received from the State, \$3,027,009 or 7.32% of total governmental general revenues.

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

Governmental Activities – Program Revenues vs. Total Expenses



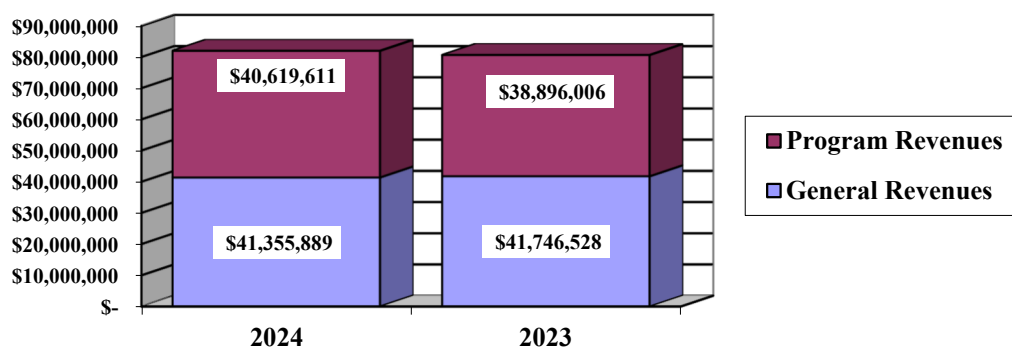
SANDUSKY COUNTY

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

	Governmental Activities			
	Total Cost of	Net Cost of	(Restated) Total Cost of	(Restated) Net Cost of
	Services 2024	Services 2024	Services 2023	Services 2023
Program expenses:				
General government	\$20,193,905	\$14,535,821	\$22,378,149	\$15,737,081
Public safety	18,998,114	11,372,093	18,511,657	10,053,498
Public works	7,305,230	(1,938,074)	7,265,271	(516,485)
Health	726,869	345,084	733,138	303,046
Human services	28,011,215	11,157,594	26,732,286	12,262,433
Economic development and assistance	1,173,457	349,122	1,662,029	588,801
Intergovernmental	215,400	215,400	201,000	201,000
Other	4,651	4,651	5,337	5,337
Interest and fiscal charges	<u>591,238</u>	<u>558,777</u>	<u>292,971</u>	<u>251,121</u>
Total	<u>\$ 77,220,079</u>	<u>\$ 36,600,468</u>	<u>\$ 77,781,838</u>	<u>\$38,885,832</u>

The dependence upon general revenues for governmental activities is apparent, with 47.40% of expenses supported through taxes and other general revenues during 2024.

Governmental Activities - General and Program Revenues



Business-Type Activities

The Sanitary Sewer fund is the County's only enterprise fund. This program had revenues of \$1,936,781, general revenues of \$36,104 and expenses of \$1,987,564 for 2024. The Sanitary Sewer fund's net position balance decreased \$14,679 in 2024.

Financial Analysis of the Government's Funds

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

SANDUSKY COUNTY

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

Governmental Funds

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

The County's governmental funds reported a combined fund balance of \$68,276,336, which is \$10,713,850 more than last year's total of \$57,562,486.

The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2024, for all major and non-major governmental funds.

	<u>Fund Balance</u> <u>December 31, 2024</u>	<u>Fund Balance</u> <u>December 31, 2023</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 8,584,647	\$ 11,848,643	\$ (3,263,996)
County board of DD	21,447,383	19,923,594	1,523,789
Other nonmajor governmental funds	<u>38,244,306</u>	<u>25,790,249</u>	<u>12,454,057</u>
Total	<u>\$ 68,276,336</u>	<u>\$ 57,562,486</u>	<u>\$ 10,713,850</u>

General Fund

The General fund, the County's largest major fund, had revenues and other financing sources of \$28,297,556 in 2024, an increase of \$870,132 or 3.17% from 2023 revenues and other financing sources. The General fund had expenditures and other financing uses of \$31,561,552 in 2024, an increase of \$5,673,254 or 21.91% from 2023 expenditures and other financing uses. The fund balance of the General fund decreased \$3,263,996 from 2023 to 2024.

County Board of Developmental Disabilities Fund

The County Board of Developmental Disabilities (DD) fund, a County major fund, had revenues of \$13,286,892 in 2024. The County board of DD fund had expenditures of \$11,763,103 in 2024. The fund balance of the County board of DD fund increased \$1,523,789 from 2023 to 2024.

Budgeting Highlights - General Fund

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

The General fund's original budgeted revenues and other financing sources of \$21,820,403 were \$1,500,000 less than the final budgeted revenues and other financing sources of \$23,320,403. Actual revenues and other financing sources of \$23,718,065 were more than final budgeted revenues and other financing sources by \$397,662. The original budgeted appropriations and other financing uses of \$23,604,804 were less than final budgeted appropriations and other financing uses by \$6,876,161. The final budgeted appropriations and other financing uses of \$30,480,965 were greater than actual expenditures and other financing uses of \$29,191,593 by \$1,289,372.

SANDUSKY COUNTY

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

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

Capital Assets and Debt Administration

Capital Assets

At the end of 2024, the County had \$67,194,055 (net of accumulated depreciation/amortization) invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, construction in progress, intangible right to use assets, sewer and water lines and infrastructure. Of this total, \$56,135,491 was reported in governmental activities and \$11,058,564 was reported in business-type activities. The following table shows 2024 and 2023 balances:

Capital Assets at December 31 (Net of Depreciation/Amortization)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,348,604	\$ 2,348,604	\$ 71,465	\$ 71,465	\$ 2,420,069	\$ 2,420,069
Land improvements	113,465	125,229	9,160	10,437	122,625	135,666
Building and improvements	15,246,899	16,250,901	834,763	891,421	16,081,662	17,142,322
Furniture and equipment	3,324,222	3,058,600	178,336	200,709	3,502,558	3,259,309
Vehicles	4,172,633	3,741,346	65,513	75,199	4,238,146	3,816,545
Infrastructure	28,227,586	26,482,944	-	-	28,227,586	26,482,944
Construction in progress	1,004,743	525,468	-	-	1,004,743	525,468
Intangible right to use						
Leased assets	1,653,445	1,648,776	-	730	1,653,445	1,649,506
Subscription software	43,894	73,738	-	-	43,894	73,738
Sewer and water lines	-	-	9,899,327	10,215,279	9,899,327	10,215,279
Total	<u>\$ 56,135,491</u>	<u>\$ 54,255,606</u>	<u>\$ 11,058,564</u>	<u>\$ 11,465,240</u>	<u>\$ 67,194,055</u>	<u>\$ 65,720,846</u>

During 2024, the County's governmental activities had \$6,550,677 in additions, \$339,971 (net of accumulated depreciation/amortization) in deletions and \$4,330,821 in depreciation/amortization expense. See Note 12 to the basic financial statements for detail on governmental activities and business-type activities capital assets.

Debt Administration

At December 31, 2024, the County's governmental activities had \$21,482,628 in special obligation bonds, general obligation bonds, leases payable, SBITA payable, OPWC loans and OWPCLF loans outstanding. Of this total, \$1,191,475 is due within one year and \$20,291,153 is due in greater than one year. At December 31, 2024, the County's business-type activities had \$5,891,058 in OPWC and OWPCLF loans outstanding. Of this total, \$369,466 is due within one year and \$5,521,592 is due in greater than one year. The following table summarizes the bonds, leases payable, SBITA payable and loans outstanding.

SANDUSKY COUNTY

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

Outstanding Debt, at Year End

	Governmental Activities 2024	Business-Type Activities 2024	Governmental Activities 2023	Business-Type Activities 2023
Long-term obligations:				
Special obligation bonds	\$ 3,820,000	\$ -	\$ 4,235,000	\$ -
General obligation bonds	15,600,000	-	6,330,000	-
OPWC/OWPCLF loans	399,234	5,891,058	261,318	6,253,223
Leases payable	1,618,427	-	1,639,232	546
SBITA payable	44,967	-	73,188	-
Total	<u>\$ 21,482,628</u>	<u>\$ 5,891,058</u>	<u>\$ 12,538,738</u>	<u>\$ 6,253,769</u>

See Note 14 to the basic financial statements for additional disclosures and detail regarding the County's debt activity.

Economic Factors and Next Year's Budgets and Rates

The County's current estimated population is 58,866.

The County's unemployment rate as of December 2024 was 4.7%, compared to the 4.2% state average and the 3.8% national average.

These economic factors were considered in preparing the County's budget for 2024 and 2025. The County's financial position should remain steady in future years.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Honorable Jerri A. Miller, Sandusky County Auditor, 100 North Park Avenue, Fremont, Ohio 43420-2472.

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SANDUSKY COUNTY

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Sandusky County Land Reutilization Corporation	Sandusky County Airport Authority
Assets:					
Equity in pooled cash and investments	\$ 59,273,771	\$ 905,371	\$ 60,179,142	\$ 350,696	\$ 71,967
Cash and cash equivalents with fiscal agents	6,111,821	-	6,111,821	-	-
Cash in segregated accounts	62,771	234	63,005	-	-
Receivables (net of allowance for uncollectibles):					
Sales taxes	3,779,748	-	3,779,748	-	-
Real estate and other taxes	27,611,444	-	27,611,444	-	-
Accounts	573,238	270,460	843,698	-	4,035
Special assessments	389,072	38,183	427,255	-	-
Accrued interest	402,912	-	402,912	-	-
Due from other governments	6,202,775	-	6,202,775	260,677	-
Settlement	574,901	-	574,901	-	-
Economic development	1,214,750	-	1,214,750	-	-
Leases	684,894	-	684,894	-	-
Prepayments	527,891	2,299	530,190	-	9,119
Materials and supplies inventory	701,805	-	701,805	-	47,291
Net pension asset	318,579	3,846	322,425	-	-
Net OPEB asset	1,336,151	15,748	1,351,899	-	6,408
Assets held for resale	-	-	-	27,200	-
Investment in joint ventures	6,152,309	-	6,152,309	-	-
Capital assets:					
Non-depreciable/amortized capital assets	3,353,347	71,465	3,424,812	-	863,291
Depreciable/amortized capital assets, net	52,782,144	10,987,099	63,769,243	46,406	3,671,390
Total capital assets, net	56,135,491	11,058,564	67,194,055	46,406	4,534,681
Total assets	172,054,323	12,294,705	184,349,028	684,979	4,673,501
Deferred outflows of resources:					
Pension	13,678,519	160,419	13,838,938	-	105,417
OPEB	1,161,841	13,961	1,175,802	-	5,790
Total deferred outflows of resources	14,840,360	174,380	15,014,740	-	111,207
Liabilities:					
Accounts payable	1,556,276	14,874	1,571,150	103,780	63,749
Contracts payable	243,537	-	243,537	-	-
Accrued wages and benefits payable	813,619	15,194	828,813	3,259	7,624
Matured compensated absences payable	9,057	-	9,057	-	-
Due to other governments	773,490	55,392	828,882	270	2,067
Accrued interest payable	62,352	-	62,352	363	-
Payroll withholding payable	614,737	-	614,737	-	-
Long-term liabilities:					
Due within one year	3,834,534	430,650	4,265,184	9,678	-
Due in more than one year:					
Net pension liability	39,462,488	472,560	39,935,048	-	199,495
Other long-term liabilities	24,529,000	5,671,177	30,200,177	39,565	-
Total liabilities	71,899,090	6,659,847	78,558,937	156,915	272,935
Deferred inflows of resources:					
Property taxes levied for the next year	15,829,914	-	15,829,914	-	-
Leases	654,349	-	654,349	-	-
Pension	373,854	8,895	382,749	-	6,102
OPEB	804,073	9,398	813,471	-	3,666
Total deferred inflows of resources	17,662,190	18,293	17,680,483	-	9,768
Net position:					
Net investment in capital assets	44,518,638	5,167,506	49,686,144	(2,317)	4,534,681
Restricted for:					
Debt service	339,245	-	339,245	-	-
Capital projects	-	-	-	-	36
Public works projects	5,279,933	-	5,279,933	-	-
Public safety programs	8,051,401	-	8,051,401	-	-
Human services programs	39,933,923	-	39,933,923	-	-
Health programs	463,431	-	463,431	-	-
Other purposes	5,244,738	-	5,244,738	-	-
Pension & OPEB	1,654,730	19,594	1,674,324	-	6,408
Unrestricted (deficit)	(8,152,636)	603,845	(7,548,791)	530,381	(39,120)
Total net position	\$ 97,333,403	\$ 5,790,945	\$ 103,124,348	\$ 528,064	\$ 4,502,005

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Current:				
General government:				
Legislative and executive.	\$ 14,438,688	\$ 3,303,203	\$ 361,857	\$ 30,632
Judicial	5,755,217	1,608,168	354,224	-
Public safety.	18,998,114	6,207,452	1,418,569	-
Public works	7,305,230	664,126	6,754,279	1,824,899
Health	726,869	252,214	129,571	-
Human services	28,011,215	510,894	16,342,727	-
Economic development and assistance	1,173,457	-	824,335	-
Intergovernmental	215,400	-	-	-
Other	4,651	-	-	-
Interest and fiscal charges	591,238	32,461	-	-
Total governmental activities	<u>77,220,079</u>	<u>12,578,518</u>	<u>26,185,562</u>	<u>1,855,531</u>
Business-type activities:				
Sanitary sewer.	<u>1,987,564</u>	<u>1,923,029</u>	<u>13,752</u>	<u>-</u>
Totals primary government.	<u>\$ 79,207,643</u>	<u>\$ 14,501,547</u>	<u>\$ 26,199,314</u>	<u>\$ 1,855,531</u>
Component unit:				
Sandusky County Land Reutilization Corporation.	\$ 647,911	\$ -	\$ 492,568	\$ -
Sandusky County Airport Authority	<u>1,011,925</u>	<u>430,311</u>	<u>191,643</u>	<u>-</u>
	<u>\$ 1,659,836</u>	<u>\$ 430,311</u>	<u>\$ 684,211</u>	<u>\$ -</u>

General revenues:

Property taxes levied for:

General fund.	
Human services - County Board of DD	
Human services - Senior Citizens	
Public safety 911 systems	
Public safety - Drug Task Force	

Sales taxes levied for:

General fund.	
Public safety - EMS	

Grants and entitlements not restricted to specific programs	
Contributions and donations not restricted to specific programs	
Investment earnings	
Change in fair value of investments	
Sale of assets	
Land Rent	
Reimbursements	
Miscellaneous	

Total general revenues

Change in net position

Net position at beginning of
year, as previously reported

Restatement - change in accounting principle

Net position at beginning of year, restated

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Sandusky County Land Reutilization Corporation	Sandusky County Airport Authority
\$ (10,742,996)	\$ -	\$ (10,742,996)	\$ -	\$ -
(3,792,825)	-	(3,792,825)	-	-
(11,372,093)	-	(11,372,093)	-	-
1,938,074	-	1,938,074	-	-
(345,084)	-	(345,084)	-	-
(11,157,594)	-	(11,157,594)	-	-
(349,122)	-	(349,122)	-	-
(215,400)	-	(215,400)	-	-
(4,651)	-	(4,651)	-	-
(558,777)	-	(558,777)	-	-
(36,600,468)	-	(36,600,468)	-	-
-	(50,783)	(50,783)	-	-
(36,600,468)	(50,783)	(36,651,251)	-	-
-	-	-	(155,343)	-
-	-	-	-	(389,971)
-	-	-	(155,343)	(389,971)
5,583,135	-	5,583,135	-	-
9,709,605	-	9,709,605	-	-
1,801,600	-	1,801,600	-	-
509,124	-	509,124	-	-
986,994	-	986,994	-	-
12,282,231	-	12,282,231	-	-
2,455,702	-	2,455,702	-	-
3,027,009	-	3,027,009	99,853	-
-	-	-	12,300	-
2,363,171	29,575	2,392,746	-	214
1,052,544	-	1,052,544	-	-
-	-	-	46,893	-
-	-	-	-	91,923
-	-	-	-	33,365
1,584,774	6,529	1,591,303	4,291	2,398
41,355,889	36,104	41,391,993	163,337	127,900
4,755,421	(14,679)	4,740,742	7,994	(262,071)
96,582,205	5,966,748	102,548,953	520,070	4,764,076
(4,004,223)	(161,124)	(4,165,347)	-	-
92,577,982	5,805,624	98,383,606	520,070	4,764,076
\$ 97,333,403	\$ 5,790,945	\$ 103,124,348	\$ 528,064	\$ 4,502,005

SANDUSKY COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	County Board of DD	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 6,897,888	\$ 15,874,638	\$ 36,501,245	\$ 59,273,771
Cash and cash equivalents with fiscal agents	-	5,960,832	150,989	6,111,821
Cash in segregated accounts	55,417	-	7,354	62,771
Receivables (net of allowance for uncollectibles):				
Sales taxes.	3,150,154	-	629,594	3,779,748
Real estate and other taxes	8,196,003	14,473,841	4,941,600	27,611,444
Accounts.	156,307	-	416,931	573,238
Special assessments	-	-	389,072	389,072
Accrued interest	374,960	23,745	4,207	402,912
Due from other governments	1,394,520	554,989	4,247,483	6,196,992
Economic development.	-	-	1,214,750	1,214,750
Leases	89,182	-	595,712	684,894
Settlement	-	-	574,901	574,901
Prepayments	180,228	203	137,311	317,742
Materials and supplies inventory	235,931	10,925	454,949	701,805
Loans due from other funds.	10,000	-	-	10,000
Total assets	<u>\$ 20,740,590</u>	<u>\$ 36,899,173</u>	<u>\$ 50,266,098</u>	<u>\$ 107,905,861</u>
Liabilities:				
Accounts payable	\$ 542,462	\$ 232,267	\$ 781,547	\$ 1,556,276
Contracts payable	-	-	243,537	243,537
Accrued wages and benefits payable	357,377	95,287	360,955	813,619
Matured compensated absences payable	-	-	9,057	9,057
Due to other governments	237,752	185,021	329,114	751,887
Loans from other funds	-	-	10,000	10,000
Payroll withholding payable	606,778	3,326	4,633	614,737
Total liabilities	<u>1,744,369</u>	<u>515,901</u>	<u>1,738,843</u>	<u>3,999,113</u>
Deferred inflows of resources:				
Property taxes levied for the next year	4,691,176	8,303,717	2,835,021	15,829,914
Delinquent property tax revenue not available.	3,485,805	6,170,124	2,106,579	11,762,508
Accrued interest not available.	109,103	8,697	-	117,800
Sales tax revenue not available	1,206,696	-	241,216	1,447,912
Special assessments revenue not available	-	-	389,072	389,072
Other nonexchange transactions	832,097	385,748	1,972,383	3,190,228
Unavailable grant revenue	-	67,603	318,804	386,407
Miscellaneous revenue not available	-	-	1,852,222	1,852,222
Leases.	86,697	-	567,652	654,349
Total deferred inflows of resources	<u>10,411,574</u>	<u>14,935,889</u>	<u>10,282,949</u>	<u>35,630,412</u>
Fund balances:				
Nonspendable	1,043,625	11,128	592,260	1,647,013
Restricted	195,764	21,436,255	36,197,697	57,829,716
Committed.	327,512	-	1,454,349	1,781,861
Assigned.	853,409	-	-	853,409
Unassigned.	6,164,337	-	-	6,164,337
Total fund balances.	<u>8,584,647</u>	<u>21,447,383</u>	<u>38,244,306</u>	<u>68,276,336</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,740,590</u>	<u>\$ 36,899,173</u>	<u>\$ 50,266,098</u>	<u>\$ 107,905,861</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

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

Total governmental fund balances		\$ 68,276,336
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		56,135,491
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.		
Real and other taxes receivable	\$ 11,762,508	
Sales taxes receivable	1,447,912	
Special assessments receivable	389,072	
Accrued interest receivable	117,800	
Accounts receivable	62,571	
Settlement receivable	574,901	
Economic development receivable	1,214,750	
Due from other governments	3,576,635	
Total		19,146,149
The investments in joint ventures by governmental activities are not financial resources and therefore are not reported in fund balance at year end.		6,152,309
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		194,329
On the statement of net position interest is accrued on outstanding debt obligations, whereas in the governmental funds, interest is accrued when due.		(62,352)
Unamortized premiums are amortized over the life of the bonds on the statement of net position.		(546,211)
Unamortized discounts are amortized over the life of the bonds on the statement of net position.		1,750
The net pension asset is not available to pay for the current period expenditures and the net pension liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - pension	13,678,519	
Deferred inflows of resources - pension	(373,854)	
Net pension asset	318,579	
Net pension liability	(39,462,488)	
Total		(25,839,244)
The net OPEB asset is not available to pay for the current period expenditures; therefore, the asset and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - OPEB	1,161,841	
Deferred inflows of resources - OPEB	(804,073)	
Net OPEB asset	1,336,151	
Total		1,693,919
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Special obligation bonds	(3,820,000)	
General obligation bonds	(15,600,000)	
Lease payables	(1,618,427)	
SBITA payables	(44,967)	
Loans payable	(399,234)	
Compensated absences	(6,336,445)	
Total		(27,819,073)
Net position of governmental activities		\$ 97,333,403

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

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

	General	County Board of DD	Other Governmental Funds	Total Governmental Funds
Revenues:				
Real estate and other taxes	\$ 4,423,486	\$ 8,486,547	\$ 2,837,047	\$ 15,747,080
Sales taxes	12,245,071	-	2,448,381	14,693,452
Charges for services	2,978,647	436,037	6,869,503	10,284,187
Licenses and permits	3,885	-	403,710	407,595
Fines, forfeitures and settlements	390,497	-	547,114	937,611
Intergovernmental	2,105,435	4,241,900	23,872,017	30,219,352
Special assessments	-	-	394,661	394,661
Investment income	2,339,619	77,438	174,335	2,591,392
Rental income	258,292	38,150	146,199	442,641
Contributions and donations	18,941	6,820	74,570	100,331
Refunds and reimbursements	2,147,974	-	398,936	2,546,910
Change in fair value of investments	1,052,544	-	-	1,052,544
Other	49,640	-	131	49,771
Total revenues	<u>28,014,031</u>	<u>13,286,892</u>	<u>38,166,604</u>	<u>79,467,527</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	9,875,458	-	1,620,546	11,496,004
Judicial	4,079,420	-	1,030,640	5,110,060
Public safety	9,505,099	-	8,016,184	17,521,283
Public works	-	-	7,255,807	7,255,807
Health	103,087	-	444,826	547,913
Human services	660,071	10,879,444	15,040,897	26,580,412
Economic development and assistance	346,400	-	787,653	1,134,053
Other	-	-	4,651	4,651
Intergovernmental	215,400	-	-	215,400
Capital outlay	3,584,317	848,224	3,081,374	7,513,915
Debt service:				
Principal retirement	108,242	33,227	1,032,055	1,173,524
Interest and fiscal charges	11,316	2,208	285,951	299,475
Bond issuance costs	-	-	298,439	298,439
Total expenditures	<u>28,488,810</u>	<u>11,763,103</u>	<u>38,899,023</u>	<u>79,150,936</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(474,779)</u>	<u>1,523,789</u>	<u>(732,419)</u>	<u>316,591</u>
Other financing sources (uses):				
Loan issuance	-	-	190,086	190,086
Bond issuance	-	-	9,620,000	9,620,000
Lease transaction	283,525	-	23,803	307,328
Transfers in	-	-	3,199,248	3,199,248
Transfers (out)	(3,072,742)	-	(129,500)	(3,202,242)
Premium on bond issuance	-	-	282,839	282,839
Total other financing sources (uses)	<u>(2,789,217)</u>	<u>-</u>	<u>13,186,476</u>	<u>10,397,259</u>
Net change in fund balances	(3,263,996)	1,523,789	12,454,057	10,713,850
Fund balances at beginning of year	<u>11,848,643</u>	<u>19,923,594</u>	<u>25,790,249</u>	<u>57,562,486</u>
Fund balances at end of year	<u><u>\$ 8,584,647</u></u>	<u><u>\$ 21,447,383</u></u>	<u><u>\$ 38,244,306</u></u>	<u><u>\$ 68,276,336</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

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

Net change in fund balances - total governmental funds	\$ 10,713,850
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlays exceeds depreciation/amortization expense in the current period.	
Capital asset additions	\$ 6,550,677
Current year depreciation/amortization	<u>(4,330,821)</u>
Total	2,219,856
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.	(339,971)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real estate and other taxes	2,843,378
Sales taxes	44,481
Special assessments	(22,169)
Interest	30,848
Charges for services	(441,040)
Fines, forfeitures, settlements	574,901
Refunds and reimbursements	78,767
Intergovernmental	<u>11,647</u>
Total	3,120,813
Decrease in the value of investment in joint ventures that do not provide current financial resources are not reported in the funds.	(612,840)
Proceeds of bonds, leases, and loans are recorded as other financing sources in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.	(10,117,414)
Premiums on general obligation bonds are recognized as other financing sources in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.	(282,839)
Repayment of long-term debt obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	1,173,524
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
Increase in accrued interest payable	(13,409)
Amortization of bond premiums	20,684
Amortization of bond discounts	<u>(599)</u>
Total	6,676
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(179,256)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	4,274,050
OPEB	29,087
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB asset are reported as pension/OPEB expense in the statement of activities.	
Pension	(5,375,425)
OPEB	147,244
The internal service fund used by management to charge the costs of workers compensation to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net expenditure of the internal service fund is allocated among the governmental activities.	
	<u>(21,934)</u>
Change in net position of governmental activities	\$ <u>4,755,421</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2024

	Business-Type Activities - Sanitary Sewer	Governmental Activities - Internal Service Fund
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 905,371	\$ -
Cash in segregated accounts	234	-
Receivables (net of allowance for uncollectible):		
Accounts.	270,460	-
Special assessments	38,183	-
Due from other governments	-	5,783
Prepayments	2,299	210,149
Total current assets.	<u>1,216,547</u>	<u>215,932</u>
Noncurrent assets:		
Net pension asset	3,846	-
Net OPEB asset	15,748	-
Capital assets:		
Non-depreciable/amortized capital assets	71,465	-
Depreciable/amortized capital assets, net	10,987,099	-
Total capital assets, net.	<u>11,058,564</u>	<u>-</u>
Total noncurrent assets	<u>11,078,158</u>	<u>-</u>
Total assets	<u>12,294,705</u>	<u>215,932</u>
Deferred outflows of resources:		
Pension.	160,419	-
OPEB.	13,961	-
Total deferred outflows of resources	<u>174,380</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>12,469,085</u>	<u>215,932</u>
Liabilities:		
Current liabilities:		
Accounts payable	14,874	-
Accrued wages and benefits payable	15,194	-
Compensated absences payable	61,184	-
Due to other governments	55,392	21,603
OPWC loans payable	23,917	-
OWPC loans payable	345,549	-
Total current liabilities	<u>516,110</u>	<u>21,603</u>
Long-term liabilities:		
Compensated absences payable	149,585	-
OPWC loans payable	321,083	-
OWPC loans payable	5,200,509	-
Net pension liability	472,560	-
Total long-term liabilities	<u>6,143,737</u>	<u>-</u>
Total liabilities	<u>6,659,847</u>	<u>21,603</u>
Deferred inflows of resources:		
Pension.	8,895	-
OPEB.	9,398	-
Total deferred inflows of resources	<u>18,293</u>	<u>-</u>
Total liabilities and deferred inflows of resources.	<u>6,678,140</u>	<u>21,603</u>
Net position:		
Net investment in capital assets.	5,167,506	-
Restricted for pension & OPEB.	19,594	-
Unrestricted	603,845	194,329
Total net position	<u>\$ 5,790,945</u>	<u>\$ 194,329</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

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

	Business-Type Activities - Sanitary Sewer	Governmental Activities - Internal Service Fund
Operating revenues:		
Charges for services	\$ 1,923,029	\$ 171,911
Other	6,529	-
Total operating revenues.	<u>1,929,558</u>	<u>171,911</u>
Operating expenses:		
Personal services	504,726	196,839
Contract services.	767,052	-
Materials and supplies.	57,606	-
Utilities	87,946	-
Depreciation/amortization.	406,676	-
Other	50,772	-
Total operating expenses.	<u>1,874,778</u>	<u>196,839</u>
Operating income (loss)	<u>54,780</u>	<u>(24,928)</u>
Nonoperating revenues (expenses):		
Interest and fiscal charges	(112,786)	-
Interest income.	29,575	-
Intergovernmental	13,752	-
Total nonoperating revenues (expenses)	<u>(69,459)</u>	<u>-</u>
Loss before transfers.	(14,679)	(24,928)
Transfer in	<u>-</u>	<u>2,994</u>
Change in net position	(14,679)	(21,934)
Net position at beginning of year, as previously reported	5,966,748	216,263
Restatement - change in accounting principle .	<u>(161,124)</u>	<u>-</u>
Net position at beginning of year, restated . .	<u>5,805,624</u>	<u>216,263</u>
Net position at end of year	<u><u>\$ 5,790,945</u></u>	<u><u>\$ 194,329</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

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

	Business-Type Activities - Sanitary Sewer	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from charges for services	\$ 1,889,073	\$ 172,533
Cash received from other operating revenue	9,136	-
Cash payments for personal services.	(486,106)	(210,673)
Cash payments for contractual services	(764,129)	-
Cash payments for materials and supplies	(61,287)	-
Cash payments for utilities	(87,875)	-
Cash payments for other expenses.	(51,401)	-
Net cash provided (used) by operating activities	<u>447,411</u>	<u>(38,140)</u>
Cash flows from noncapital financing activities:		
Cash received from transfers in	-	2,994
Cash flows from capital and related financing activities:		
Principal payments on loans	(362,165)	-
Principal retirement on leases payable	(546)	-
Interest and fiscal charges	(112,786)	-
Intergovernmental.	13,752	-
Net cash used in capital and related financing activities . .	<u>(461,745)</u>	<u>-</u>
Cash flows from investing activities:		
Interest received.	29,575	-
Net increase (decrease) in cash and cash equivalents.	15,241	(35,146)
Cash and cash equivalents at beginning of year	<u>890,364</u>	<u>35,146</u>
Cash and cash equivalents at end of year	<u><u>\$ 905,605</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 54,780	\$ (24,928)
Adjustments:		
Depreciation/amortization.	406,676	-
Changes in assets and liabilities:		
Accounts receivable.	(12,750)	-
Special assessments receivable.	(18,599)	-
Intergovernmental receivable	-	622
Prepayments	(39)	(34,913)
Net pension asset	(887)	-
Net OPEB asset	(15,748)	-
Deferred outflows - pension.	67,884	-
Deferred outflows - OPEB	19,405	-
Accounts payable.	(3,208)	-
Accrued wages and benefits	8,365	-
Intergovernmental payable	2,836	21,079
Compensated absences payable	14,285	-
Net pension liability	(57,070)	-
Net OPEB liability	(10,951)	-
Deferred inflows - pension	(13,090)	-
Deferred inflows - OPEB	5,522	-
Net cash provided (used) by operating activities	<u><u>\$ 447,411</u></u>	<u><u>\$ (38,140)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024

	<u>Investment Trust</u>	<u>Custodial</u>
Assets:		
Equity in pooled cash and cash equivalents.	\$ 4,063,520	\$ 18,111,103
Cash in segregated accounts	-	683,212
Receivables (net of allowances for uncollectibles):		
Taxes - current	-	125,312,022
Special assessments	-	896,399
Accounts	352,825	93,484
Due from other governments	1,353	3,130,464
Total assets	<u>4,417,698</u>	<u>148,226,684</u>
Liabilities:		
Accounts payable	85,302	44,438
Accrued wages and benefits	10,035	74,393
Payroll withholding payable	-	14,163
Due to other governments	33,118	67,064
Total liabilities	<u>128,455</u>	<u>200,058</u>
Deferred inflows of resources:		
Property taxes levied for the next fiscal year.	<u>-</u>	<u>71,892,152</u>
Net position:		
Restricted for individuals, organizations and other governments .	<u>\$ 4,289,243</u>	<u>\$ 76,134,474</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

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

	<u>Investment Trust</u>	<u>Custodial</u>
Additions:		
Intergovernmental	\$ -	\$ 3,657,498
Amounts received as fiscal agent	-	8,493,197
Licenses, permits and fees for other governments, organizations and individuals.	-	14,772,140
Fines and forfeitures for other governments, organizations and individuals.	-	2,767,642
Property tax collection for other governments	-	130,391,948
Special assessments collections for other governments	-	459,317
Earnings on investments	142,222	-
Other custodial fund collections	-	137,102
Share transactions:		
Purchase of units	2,279,740	-
Redemption of units	(2,415,401)	-
Net decrease in net position and shares resulting from share transactions	(135,661)	-
Total additions	<u>6,561</u>	<u>160,678,844</u>
Deductions:		
Distributions to the State of Ohio	-	16,116
Distributions of state and federal funds to other governments	-	3,489,504
Distributions as fiscal agent	-	7,812,096
Distributions to individuals	-	110,807
Licenses, permits and fees distributions to other governments, organizations and individuals.	-	14,616,309
Fines and forfeitures distributions to other governments, organizations and individuals.	-	2,803,421
Property tax distributions to other governments	-	115,592,197
Special assessment distributions to other governments	-	357,941
Total deductions	<u>-</u>	<u>144,798,391</u>
Net change in fiduciary net position	6,561	15,880,453
Net position beginning of year	<u>4,282,682</u>	<u>60,254,021</u>
Net position end of year	<u>\$ 4,289,243</u>	<u>\$ 76,134,474</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

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

NOTE 1 - DESCRIPTION OF THE COUNTY

Sandusky County, Ohio (the County), was created in 1820. 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, and who manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, two Common Pleas Court Judges and a Probate/Juvenile Court Judge.

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

The primary government consists of all funds, component units, departments, boards and agencies that are not legally separate from the County. For Sandusky County, this includes the Sandusky County Board of Developmental Disabilities (DD); the Children Services Board; and other departments and activities that are directly operated by the elected County officials.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

Based on the foregoing criteria, the financial activities of the following PCU's have been reflected in the accompanying basic financial statements as follows:

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. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt, or the levying of taxes.

SANDUSKY COUNTY

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

DISCRETELY PRESENTED COMPONENT UNIT

The component unit columns in the financial statements present the financial data of the County's discretely presented component units, the Sandusky Regional Airport Authority, the Sandusky County Transportation Improvement District, and Sandusky County Land Reutilization Corporation. They are reported separately to emphasize that they are legally separate from the County.

Sandusky Regional Airport Authority - The constitution and laws of the State of Ohio establish the rights and privileges of the Sandusky Regional Airport Authority, Sandusky County, Ohio (the Authority), as a body corporate and politic. The Sandusky County Commissioners appoint five Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the Authority. The County Commissioners are responsible for the debt issued on behalf of the Authority. Due to the imposition of will exerted by the County Commissioners as well as the financial burden for the Authority, the Authority is presented separately as a component unit of the County. The Authority operates on a year ending December 31 and is presented on a GAAP basis of accounting. Separately issued financial statements can be obtained from Sandusky Regional Airport Authority, 1500 County Road 220, Clyde, Ohio 43410.

Sandusky County Transportation Improvement District - The Sandusky County Transportation Improvement District is a body corporate and politic established to plan, construct and improve highways, roads, bridges, interchanges and accompanying capital improvements and developments throughout Sandusky County. The District was formed under the Ohio Revised Code Chapter 5544.02, by action of the Board of Sandusky County Commissioners on May 22, 2012. The resolution to create the District states the Board shall consist of seven members. The members shall be appointed as follows: five (5) members shall be appointed by the County Commissioners; one (1) nonvoting member appointed by the Speaker of the Ohio House of Representatives of the general assembly; and one (1) nonvoting member appointed by the President of the Senate of the general assembly. Separately issued financial statements can be obtained from the Sandusky County Transportation Improvement District, 622 Croghan Street, Fremont Ohio 43420.

Sandusky County Land Reutilization Corporation - The Sandusky County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on June 29, 2015 when the Sandusky 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 Sandusky 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.

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 the 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 Sandusky County Land Reutilization Corporation, 100 North Park Avenue, Suite 227, Fremont, Ohio 43420. The Corporation is a component unit of Sandusky County, Ohio.

SANDUSKY COUNTY

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

POTENTIAL COMPONENT UNITS REPORTED AS CUSTODIAL FUNDS

The County Treasurer, as the custodian of public funds, invests all public monies held on deposit in the County treasury. In the case of the separate agencies, boards and commissions listed below, the County serves as fiscal agent, but is not financially accountable for their operations. Accordingly, the following entities are presented as custodial funds within the financial statements:

Sandusky County Regional Planning Commission
Family and Children First Council
Sandusky County Park District
Sandusky County General Health District
Sandusky County Soil and Water Conservation District

The County is associated with certain organizations which are defined as joint ventures with equity interest, a shared risk pool, and an insurance purchasing pool and a related organization as follows:

JOINT VENTURES WITH EQUITY INTEREST

Ottawa, Sandusky, and Seneca County Solid Waste District

The Solid Waste District (the District) is a joint venture of Sandusky, Ottawa and Seneca Counties and is established under the authority of Section 3734.54 of the Ohio Revised Code. The cost of operations and expenses is to be funded by fees collected by the District. In the event that fees are not sufficient for the purpose, the counties shall share all operating costs and expenses incurred in the same proportions as the populations of the respective counties bear to the total population of all the counties.

Upon the withdrawal of a county from the District, the Board of Directors shall ascertain, apportion, and order a division of the funds on hand, credits and real and personal property of the District, either in money or in kind, on any equitable basis between the District and the withdrawing county. Should the District be dissolved, the Boards of County Commissioners shall continue to levy and collect taxes for the payment of any outstanding indebtedness. The District is governed by the three commissioners of each county involved.

The counties share in the equity of the District is based on relative percentages of population within the three counties. Based upon this calculation, Sandusky County's equity interest in the District is \$1,560,482 at December 31, 2024. Financial information can be obtained from the Sandusky County Auditor, 100 North Park Avenue, Fremont, Ohio 43420-2472.

Sandusky County - Seneca County - City of Tiffin Port Authority

The Port Authority, a joint venture between Sandusky and Seneca Counties and the City of Tiffin, is established under the authority of Sections 4582.21 et. seq., of the Ohio Revised Code, with territorial limits co-terminus with the boundaries of the counties, with Tiffin being within the boundaries of Seneca County. The Port Authority is governed by a seven member Board of Directors, consisting of two members from each of the counties and the city, with the seventh member being rotated between the three entities every four years. The members are appointed by the County Commissioners in the counties, and by the Mayor of Tiffin in the city. Appointed members may hold no other public office or public employment except Notary Public, member of the State Militia, or member of a reserve component of the United States Armed Forces. Initial funding for organizational expenses, including purchase of real or personal property by the Port Authority, were contributed by each subdivision with no obligation of future contributions or financial support. The contributions were equal and simultaneous. The Port Authority may be dissolved at any time upon the enactment of an ordinance by the city and resolutions by the counties. Any real or personal property will be returned to the subdivision from which it was received.

SANDUSKY COUNTY

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

Upon dissolution of the Port Authority, any balance remaining in the Port Authority's funds or any real or personal property belonging to the Port Authority will be distributed equally to the city and the counties after paying all expenses and debts. Sandusky County's equity interest in the Port Authority is \$1,013,488 at December 31, 2024. Financial information can be obtained from the Sandusky County - Seneca County - City of Tiffin Port Authority, James Supance, Chairman, P.O. Box 767, Tiffin, Ohio 44883.

Mental Health and Recovery Services Board of Seneca, Ottawa, Sandusky, and Wyandot Counties

The Mental Health and Recovery Services Board (MHRS) is a joint venture between Seneca, Ottawa, Sandusky, and Wyandot Counties. The headquarters for MHRS is in Seneca County. MHRS provides community services to mentally ill and emotionally disturbed persons. Statutorily created, the MHRS Board is made of 17 members; 9 of the members are appointed by the county commissioners of each respective county, 8 are appointed by the State Department of Mental Health and Addiction Services. Revenues to provide mental health services are generated through State and Federal grants. The MHRS Board adopts its own budget, hires and fires staff and does not rely on the County to finance deficits.

The counties share in the equity of the MHRS Board based on the percentages of population within the four counties. Sandusky County's equity interest in this joint venture at December 31, 2024 is \$3,578,339.

Financial information can be obtained from the Seneca County Auditor, RTA Building, Tiffin, Ohio 44883.

JOINTLY GOVERNED ORGANIZATION

West Central Ohio Network

The West Central Ohio Network (WestCon) is a jointly governed organization among Auglaize, Champaign, Darke, Hardin, Logan, Mercer, Miami, Preble, Sandusky, Shelby, and Union counties. WestCon was created to serve as an administrator and fiscal agent of Supported Living funds for the Boards of Developmental Disabilities (DODD Boards) of each of the participating counties. The degree of control exercised by any participating government is limited to its representation on the Board of Directors (the Board) of WestCon. The Board consists of one delegate, who is the Superintendent, from each of the participating DODD Boards. Payments to WestCon are limited to the supported living funds of each participating county. During 2024, the County contributed \$4,858,114 to WestCon.

Financial information can be obtained from Renee Place, Executive Director, 315 East Court Street, Sidney, Ohio 45365.

SHARED RISK POOL

County Risk Sharing Authority, Inc. (CORSA)

The County Risk Sharing Authority, Inc., is a jointly governed organization among sixty-three counties and eighteen county facilities in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. The County paid \$309,842 to CORSA during 2024.

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

SANDUSKY COUNTY

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

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates.

Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

INSURANCE PURCHASING POOL

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group retro rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a county commissioner.

B. Basis of Presentation

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the enterprise fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements - Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by fund type.

SANDUSKY COUNTY

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All enterprise funds and proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position.

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

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

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activity. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

C. Fund Accounting

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

General fund - The General fund is used to account for and report all financial resources not accounted for and reported in another fund. The General fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

County Board of Developmental Disabilities (DD) - This fund accounts for the operation of a school and the costs of administering a workshop for the developmentally disabled. Revenue sources include a countywide 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 and committed 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 to expenditure for principal and interest.

SANDUSKY COUNTY

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

PROPRIETARY FUNDS

Proprietary funds are used to account for the County's ongoing activities, which are similar to those found in the private sector. Proprietary funds are classified as either enterprise or internal service.

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

Sanitary Sewer - This fund accounts for sanitary sewer services provided to individual and commercial users in the majority of the unincorporated areas of the County. The costs of providing these services are primarily financed through user charges. The sanitary sewer district has its own facilities and rate structure.

Internal service fund - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service fund accounts for a workers' compensation program for employees of the County.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. Currently, the County does not have any pension trust funds or private-purpose trust funds. The County's custodial funds account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, COVID-19 grants, State-levied shared revenues, fines and forfeitures collected for and distributed to other political subdivisions, licenses, permits and fees collected and distributed to other political subdivisions and other amounts collected for and distributed to organizations or individuals. The County's investment trust fund accounts for monies held for Ottawa, Sandusky, and Seneca County Solid Waste District.

D. Basis of Accounting

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

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

SANDUSKY COUNTY

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales tax (See Note 7), interest, federal and State grants and subsidies, State-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 16 and 17 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

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

See Notes 16 and 17 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expense/Expenditures - On the full accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Budgetary Data

All funds, other than custodial funds, are required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The County Auditor has waived the tax budget requirement. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, program, department and object level.

SANDUSKY COUNTY

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

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

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

F. Cash and Investments

To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During 2024, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), federal agency securities, U.S. government money markets, U.S. treasury notes, negotiable and nonnegotiable certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

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 a 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.

Under existing Ohio statutes all investment earnings are assigned to the General fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General fund during 2024 amounted to \$2,338,393 which includes \$1,932,590 assigned from other County funds. The General fund also received \$1,226 in interest revenue from lessor lease agreements.

The County has segregated bank accounts for monies held separately from the County's central bank account. These interest-bearing depository accounts are presented on the combined balance sheet as "cash in segregated accounts" since they are not required to be deposited into the County treasury.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments, to the extent the investments were purchased from a specific fund rather than the pool.

SANDUSKY COUNTY

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

G. External Investment Pool

By statute, the County serves as fiscal agent for various legally separate entities. The County pools the monies of these entities with the County's for investment purposes. The County cannot allocate its investments between the internal and external investment pools. The external investment pool is not registered with the SEC as an investment company. The fair value of investments is determined annually. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of interest that it earns. The fair value of investments for both the internal and external investment pools is disclosed in Note 4, "Deposits and Investments".

Condensed financial information for the investment pool is as follows:

Statement of Net Position December 31, 2024

<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 82,353,765
Accrued interest receivable	402,691
Total	<u>\$ 82,756,456</u>
<u>Net position held in trust for participants:</u>	
Internal portion	\$ 78,692,936
External portion	4,063,520
Total	<u>\$ 82,756,456</u>

Statement of Changes in Net Position For the Year Ended December 31, 2024

<u>Revenue:</u>	
Operating revenues	<u>\$ 142,222</u>
Net increase in assets resulting from operations	142,222
Distribution to pool participants	335,305
<u>Capital transactions:</u>	
Proceeds of investments sold	(66,517,080)
Purchase of investments	<u>82,353,765</u>
Total increase in net position	16,314,212
Net position, beginning of year	<u>66,442,244</u>
Net position, end of year	<u>\$ 82,756,456</u>

H. Inventories of Materials and Supplies

On the government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

SANDUSKY COUNTY

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

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are valued at acquisition cost. The County maintains a capitalization threshold of \$5,000. The County's infrastructure consists of roads, bridges, culverts and sanitary sewers. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is also capitalized. In addition, assets having an estimated useful life of more than one year that are below the \$5,000 threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

All reported capital assets are depreciated/amortized except for land and construction in progress. Improvements are depreciated/amortized over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacements. Depreciation/amortization is computed using the straight-line method utilizing the half-year convention over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	15 - 30 years	15 - 30 years
Buildings and improvements	8 - 50 years	20 - 40 years
Furniture and equipment	5 - 15 years	10 - 20 years
Vehicles	8 - 15 years	8 - 15 years
Infrastructure	20 - 50 years	50 years
Intangible right to use:		
Leased building	8 years	-
Leased equipment	5 - 10 years	5 years
Subscription software	3 - 5 years	-
Leased vehicles	3 - 10 years	-

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The County's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from temporary investment of the debt proceeds over the same period.

Capitalized interest is amortized on the straight-line method over the estimated useful life of the asset. For 2024, the net interest expense incurred on proprietary fund construction projects was not material.

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

SANDUSKY COUNTY

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

J. Compensated Absences

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

Vacation

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

Sick Leave

The County's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the County and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

Comp Time

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

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance classification in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

L. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental column on the statement of net position. Loans between governmental funds and custodial funds are reported as "loans due from/to other funds" on the financial statements.

M. Loans Receivable

Loans receivable represent the right to receive repayment for certain loans made by the County. These loans are based upon written agreements between the County and the various loan recipients. Reported loans receivable is offset by a restricted for loans fund balance in the governmental special revenue fund types.

N. Accrued Liabilities and Long-term Obligations

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

SANDUSKY COUNTY

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

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

O. Interfund Transactions

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

During the normal course of operations, the County has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the County are treated similarly when involving other funds of the County.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivable/interfund payable" for the current portion of interfund loans. These amounts are eliminated in the statement of net position, except for any residual balances outstanding between the governmental activities and business-type activities, which are reported in the government-wide financial statements as "internal balances."

P. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Commissioners (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of 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 nor committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended uses established by policies of the Board of Commissioners.

SANDUSKY COUNTY

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

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

The County applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

Q. Operating Revenues and Expenses

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

R. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and less deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

S. Bond Issuance Costs, Bond Premium/Discount and Accounting Loss

On government-wide financial statements and in the enterprise funds, issuance costs are expensed during the year in which they incurred.

Bond premiums/discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond discounts are presented as a reduction to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt reported in the government-wide financial statements and enterprise funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as deferred outflows of resources on the statement of net position in the government-wide financial statements and enterprise funds.

The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 14.

T. Estimates

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

SANDUSKY COUNTY

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

U. Pensions/Other Postemployment Benefits (OPEB)

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

V. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County administration and that are either unusual in nature or infrequent in occurrence. The County had no extraordinary or special items during 2024.

W. Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did have an effect on the financial statements of the County.

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

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

SANDUSKY COUNTY

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

B. Restatement of Net Position

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

	12/31/2023 As Previously Reported	Change in Accounting Principle	12/31/2023 As Restated
Net Position			
Governmental Activities	\$ 96,582,205	\$ (4,004,223)	\$ 92,577,982
Business-Type Activities	5,966,748	(161,124)	5,805,624
Total Net Position	<u>\$ 102,548,953</u>	<u>\$ (4,165,347)</u>	<u>\$ 98,383,606</u>

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 demand 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 in the following securities provided a written investment policy has been filed with the Ohio Auditor of State:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in items (1) or (2) above or cash or both securities and cash, equal value for equal value; and,

SANDUSKY COUNTY

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

9. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

A. Cash on Hand

At year end, the County had \$2,100 in undeposited cash on hand which is included on the financial statements of the County as part of "equity in pooled cash and investments".

B. Cash in Segregated Accounts

At year end, \$1,218,122 was on deposit in segregated accounts used by various County departments and included in the total amount of deposits reported below; however, this amount is not part of the internal cash pool reported on the financial statements as "equity in pooled cash and investments". The carrying value of these deposits was \$746,217 at December 31, 2024.

C. Cash and Cash Equivalents with Fiscal Agents

At year end, the County had \$6,111,821 in monies held by a fiscal agent. \$150,989 was set aside for future debt service and \$5,960,832 was held by WestCon for the County's Board of Developmental Disabilities. These amounts have been excluded from the total deposits and investments below as they are not part of the County's internal investment pool.

These amounts have been included on the financial statements of the County as "cash and cash equivalents with fiscal agents.

D. Deposits with Financial Institutions

At December 31, 2024, the carrying amount of all County deposits, including nonnegotiable certificates of deposit and cash in segregated accounts, was \$41,987,398. The County's bank balance of all County deposits was \$42,136,705. Of the bank balance, \$564,907 was covered by the FDIC and \$41,571,798 was covered by the Ohio Pooled Collateral System (OPCS).

SANDUSKY COUNTY

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

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the County's 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 (2) participation in the 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. For 2024, the County's financial institutions had a 102 percent collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

E. Investments

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

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
Negotiable CD's	\$ 2,945,120	\$ 483,065	\$ 242,635	\$ 738,457	\$ 249,190	\$ 1,231,773
U.S. Government money market	489,462	489,462	-	-	-	-
U.S. Treasury notes	12,777,720	3,479,710	241,413	249,163	1,003,560	7,803,874
FHLB	10,622,286	499,630	1,949,645	3,323,593	1,609,476	3,239,942
FNMA	2,661,210	-	1,694,920	966,290	-	-
FHLMC	3,928,688	-	486,255	1,002,850	-	2,439,583
FFCB	5,225,938	-	1,956,435	502,030	1,180,663	1,586,810
Amortized cost:						
STAR Ohio	2,460,060	2,460,060	-	-	-	-
Total	\$ 41,110,484	\$ 7,411,927	\$ 6,571,303	\$ 6,782,383	\$ 4,042,889	\$ 16,301,982

The weighted average maturity of investments is 1.67 years.

The County investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The County's investments in U.S. Treasury notes, negotiable CD's and federal agency securities (FHLB, FNMA, FHLMC, FFCB) are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: 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 investment portfolio maturities to five years or less.

Credit Risk: The County's investments, except for negotiable certificates of deposit and U.S. Government money market, were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The negotiable certificates of deposit and the U.S. Government money market are covered by FDIC and are not rated.

SANDUSKY COUNTY

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

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the County's name. The County has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the County Treasurer or qualified trustee.

Concentration of Credit Risk: The County places no limit on the amount that may be invested in any one issuer.

The following table includes the percentage of each investment type held by the County at December 31, 2024:

Measurement/ Investment type	Measurement Value	% to Total
<i>Fair value:</i>		
Negotiable CD's	\$ 2,945,120	7.16
U.S. Government money market	489,462	1.19
U.S. Treasury notes	12,777,720	31.08
FHLB	10,622,286	25.84
FNMA	2,661,210	6.47
FHLMC	3,928,688	9.56
FFCB	5,225,938	12.71
<i>Amortized cost:</i>		
STAR Ohio	2,460,060	5.99
Total	<u>\$ 41,110,484</u>	<u>100.00</u>

F. Reconciliation of Cash and Investments to the Statement of Net Position

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:

Cash and investments per note

Carrying amount of deposits	\$ 41,241,181
Investments	41,110,484
Cash in segregated accounts	746,217
Cash and investments with fiscal agent	6,111,821
Cash on hand	2,100
Total	<u>\$ 89,211,803</u>

Cash and investments per statement of net position

Governmental activities	\$ 65,448,363
Business-type activities	905,605
Investment trust	4,063,520
Custodial funds	18,794,315
Total	<u>\$ 89,211,803</u>

SANDUSKY COUNTY

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

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended December 31, 2024, consisted of the following, as reported on the fund financial statements:

<u>Transfer from the General fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	\$ 3,069,748
Internal service fund	2,994
 <u>Transfer from nonmajor governmental fund to:</u>	
Nonmajor governmental fund	<u>129,500</u>
Total	<u>\$ 3,202,242</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers between governmental funds are eliminated for reporting on the statement of activities. Transfers between governmental activities and business-type activities are reported as transfers on the statement of activities.

All other transfers complied with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

- B. Amounts due to/from other funds consisted of the following at December 31, 2024, as reported of the fund financial statements:

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 10,000</u>

Amounts due to/from other funds between governmental funds are eliminated for reporting on the statement of net position. Amounts due to/from other funds between governmental funds and enterprise funds are reported as a component of internal balance on the statement of net position.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. 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 real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

SANDUSKY COUNTY

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2024 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2024 operations and the collection of delinquent taxes has been offset by deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is considered a deferred inflow of resources.

The full tax rate for all County operations, excluding 911 operations, for the year ended December 31, 2024 was \$9.80 per \$1,000 of assessed value. The full tax rate for the County 911 operations, excluding the City of Bellevue and the Village of Green Springs, for the year ended December 31, 2024 was \$0.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2024 property tax receipts were based are as follows:

Real property

Residential/agricultural	\$ 1,094,671,200
Commercial/industrial/mineral	239,023,740

Public utility

Real	721,710
Personal	401,133,760
Total assessed value	<u>\$ 1,735,550,410</u>

NOTE 7 - PERMISSIVE SALES AND USE TAX

In 1979, the County Commissioners, by resolution, imposed a 0.5 percent tax on all retail sales made in the County, except sales of motor vehicles. In 1989, the percentage increased to 1 percent. In 2005, an additional 0.25 percent tax was levied and earmarked solely for emergency medical services. In 2010, an additional 0.25 percent tax was levied for general operations. The tax included the storage, use, or consumption of tangible personal property in the County, including motor vehicles not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Office of Budget and Management then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General fund and Emergency Management System fund, a nonmajor governmental fund. Amounts that are measurable and available at year end are accrued as revenue on the fund financial statements. Permissive sales and use tax revenue totaled \$14,693,452 in 2024.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2024, consisted of taxes, accounts (billings for user charged services), interfund transactions related to charges for goods and services rendered, intergovernmental receivables arising from grants, entitlements and shared revenue, special assessments, accrued interest, economic development agreements, settlement receivable and leases. All intergovernmental receivables have been classified as "due from other governments" on the financial statements. Receivables have been recorded as described in Note 2.D. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

SANDUSKY COUNTY

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

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Sales taxes	\$ 3,779,748
Real estate and other taxes	27,611,444
Accounts	573,238
Special assessments	389,072
Settlement	574,901
Accrued interest	402,912
Due from other governments	6,202,775
Economic development	1,214,750
Leases	684,894

Business-type activities:

Accounts	270,460
Special assessments	38,183

Receivables have been disaggregated on the financial statements. The only receivables not expected to be collected within the subsequent year are the special assessments, economic development, settlement and leases, which are collected over the life of the assessment or duration of the agreements.

NOTE 9 - LOANS RECEIVABLE

The County, through the community development block grant program, makes low-interest or interest-free loans to small businesses in the County. The activity for these loans is accounted for in the Revolving Loan fund, a nonmajor governmental fund. The following is a summary of the changes in the loans receivable during 2024.

Loans receivable at 12/31/23	\$ 30,014
Principal payments received in 2024	<u>(30,014)</u>
Loans receivable at 12/31/24	<u>\$ -</u>

NOTE 10 - ECONOMIC DEVELOPMENT RECEIVABLE

On August 4, 2022, the County entered into an agreement with the City of Fremont and the Fremont Development Corporation to transfer property to a developer for the purpose of constructing the project sites into an industrial park. During 2023, the County transferred the agreed upon 67.65 acres to the Fremont Development Corporation for the purchase price of \$1,014,750 or \$15,000 per acre. The purchase price is not due to be paid to the County until the project site has been developed and sold.

In addition, during 2023, there was an addendum to the agreement to transfer an additional 17 acres. The County transferred the additional 17 acres to the Fremont Development Corporation during 2023 for the purchase price of \$225,000, of which \$25,000 was paid at closing. The remaining \$200,000 is not due to be paid to the County until the project site has been developed and sold.

NOTE 11 - LEASES RECEIVABLE

The County is reporting leases receivable of \$684,894 in the General fund and the Permanent Improvement fund (a nonmajor governmental fund). For 2024, the County recognized lease revenue of \$75,470, which is reported in rental income, and interest revenue of \$16,883.

SANDUSKY COUNTY

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

The County has entered into the following lease agreements as the lessor at varying years and terms as follows:

Lease Type	Commencement Date	Years	Lease End Date	Payment Method
Cell Tower Land Lease	2016	30	2046	Monthly
Office Space - 2000 Countyside Dr.	2018	10	2028	Monthly
Office Space - 2511 Countyside Dr.	2020	4	2024	Monthly
Building Rental - 1499 N River Rd.	2001	30	2031	Monthly
Farm Land Lease	2023	2	2025	Annual
Office Space - 2511 Countyside Dr. - Various offices	2024	10	2034	Monthly
Office Space - 2511 Countyside Dr. - Various offices	2024	5	2029	Monthly

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

Fiscal Year	Principal	Interest	Total
2025	\$ 77,563	\$ 17,580	\$ 95,143
2026	75,353	15,178	90,531
2027	77,530	13,122	90,652
2028	55,589	11,163	66,752
2029	39,737	9,943	49,680
2030 - 2034	120,215	37,785	158,000
2035 - 2039	94,402	24,763	119,165
2040 - 2044	116,738	11,363	128,101
2045 - 2047	27,767	415	28,182
Total	<u>\$ 684,894</u>	<u>\$ 141,312</u>	<u>\$ 826,206</u>

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SANDUSKY COUNTY

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

NOTE 12 - CAPITAL ASSETS

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

	Balance 1/1/2024	Additions	Deductions	Balance 12/31/2024
<u>Governmental activities:</u>				
<i>Capital asset not being depreciated/amortized:</i>				
Land	\$ 2,348,604	\$ -	\$ -	\$ 2,348,604
Construction in progress	525,468	787,641	(308,366)	1,004,743
Total capital assets not being depreciated/amortized	<u>2,874,072</u>	<u>787,641</u>	<u>(308,366)</u>	<u>3,353,347</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	1,141,920	-	-	1,141,920
Buildings and improvements	35,348,706	148,509	(10,954)	35,486,261
Furniture and equipment	5,782,186	607,981	(15,300)	6,374,867
Vehicles	8,050,782	1,112,221	(241,871)	8,921,132
Infrastructure	52,288,155	3,895,363	(1,691,430)	54,492,088
Intangible right to use:				
Leased building	129,720	23,803	-	153,523
Leased equipment	1,584,486	283,525	(161,658)	1,706,353
Subscription software	96,713	-	-	96,713
Leased vehicles	352,751	-	-	352,751
Total capital assets, being depreciated/amortized	<u>104,775,419</u>	<u>6,071,402</u>	<u>(2,121,213)</u>	<u>108,725,608</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(1,016,691)	(11,764)	-	(1,028,455)
Buildings and improvements	(19,097,805)	(1,152,511)	10,954	(20,239,362)
Furniture and equipment	(2,723,586)	(341,594)	14,535	(3,050,645)
Vehicles	(4,309,436)	(648,199)	209,136	(4,748,499)
Infrastructure	(25,805,211)	(1,844,250)	1,384,959	(26,264,502)
Intangible right to use:				
Leased building	(14,864)	(20,415)	-	(35,279)
Leased equipment	(372,298)	(222,296)	161,658	(432,936)
Subscription software	(22,975)	(29,844)	-	(52,819)
Leased vehicles	(31,019)	(59,948)	-	(90,967)
Total accumulated depreciation/amortization	<u>(53,393,885)</u>	<u>(4,330,821)</u>	<u>1,781,242</u>	<u>(55,943,464)</u>
Total capital assets, being depreciated/amortized net	<u>51,381,534</u>	<u>1,740,581</u>	<u>(339,971)</u>	<u>52,782,144</u>
Governmental activities capital assets, net	<u>\$ 54,255,606</u>	<u>\$ 2,528,222</u>	<u>\$ (648,337)</u>	<u>\$ 56,135,491</u>

SANDUSKY COUNTY

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

<u>Business-type activities:</u>	Balance <u>1/1/2024</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/2024</u>
<i>Capital asset not being depreciated/amortized:</i>				
Land	\$ 71,465	\$ -	\$ -	\$ 71,465
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	25,549	-	-	25,549
Buildings and improvements	1,415,847	-	-	1,415,847
Furniture and equipment	1,015,275	-	-	1,015,275
Vehicles	226,298	-	-	226,298
Infrastructure	18,401,794	-	-	18,401,794
Intangible right to use:				
Leased equipment	7,313	-	(7,313)	-
Total capital assets, being depreciated/amortized	<u>21,092,076</u>	<u>-</u>	<u>(7,313)</u>	<u>21,084,763</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(15,112)	(1,277)	-	(16,389)
Buildings and improvements	(524,426)	(56,658)	-	(581,084)
Furniture and equipment	(814,566)	(22,373)	-	(836,939)
Vehicles	(151,099)	(9,686)	-	(160,785)
Infrastructure	(8,186,515)	(315,952)	-	(8,502,467)
Intangible right to use:				
Leased equipment	(6,583)	(730)	7,313	-
Total accumulated depreciation/amortization	<u>(9,698,301)</u>	<u>(406,676)</u>	<u>7,313</u>	<u>(10,097,664)</u>
Total capital assets, being depreciated/amortized net	<u>11,393,775</u>	<u>(406,676)</u>	<u>-</u>	<u>10,987,099</u>
Business-type activities capital assets, net	<u>\$ 11,465,240</u>	<u>\$ (406,676)</u>	<u>\$ -</u>	<u>\$ 11,058,564</u>

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Legislative and executive	\$ 879,298
Judicial	377,648
Public safety	666,005
Public works	2,085,434
Health	76,877
Human services	<u>245,559</u>
Total depreciation/amortization expense - governmental	<u>\$ 4,330,821</u>

Business-type activities:

Sanitary sewer	<u>\$ 406,676</u>
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SANDUSKY COUNTY

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

NOTE 13 - COMPENSATED ABSENCES

County employees earn vacation leave at varying rates ranging from two to five weeks per year. Accumulated vacation cannot exceed three times the annual accumulation rate for an employee. All accumulated, unused vacation time is paid upon separation from the County. Sick leave is accumulated at the rate of three weeks per year. Upon retirement, employees hired before August 12, 1982, are entitled to 100 percent of their accumulated sick leave up to a maximum of 260 days. Employees hired after August 12, 1982, are 55 years or older and have seven years of service are entitled to 25 percent of their accumulated sick leave up to a maximum of 30 days.

NOTE 14 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 101 (see Note 3 for detail), the County has restated compensated absences as of January 1, 2024 which is reflected in the schedule below. Long-term obligation activity for the year ended December 31, 2024 consisted of the following:

	Interest Rate	Restated Balance 1/1/2024	Additions	Reductions	Balance 12/31/24	Amount Due in One Year
<u>Governmental activities:</u>						
<u>Special obligation bonds:</u>						
Series B - 2012	1.375 - 3.25%	\$ 170,000	\$ -	\$ (40,000)	\$ 130,000	\$ 40,000
Series C - 2012	0.90 - 4.00%	510,000	-	(120,000)	390,000	125,000
Series - 2016	2.00 - 4.00%	3,555,000	-	(255,000)	3,300,000	260,000
Total special obligation bonds		4,235,000	-	(415,000)	3,820,000	425,000
<u>General obligation bonds:</u>						
Building facilities improvement bonds, series 2019	2.00-4.00%	6,330,000	-	(350,000)	5,980,000	350,000
Building facilities improvement bonds, series 2024	4.00-8.00%	-	9,620,000	-	9,620,000	5,000
Total general obligation bonds		6,330,000	9,620,000	(350,000)	15,600,000	355,000
<u>Ohio Public Works Commission loans (direct borrowing):</u>						
Bridge project		77,693	-	(3,790)	73,903	3,790
CR 185 & TR 220 road improvement		40,104	-	(7,291)	32,813	7,292
County road 198 improvements		143,521	-	(22,080)	121,441	22,080
		261,318	-	(33,161)	228,157	33,162
<u>Other long-term obligations:</u>						
Compensated absences payable*		6,164,874	171,571	-	6,336,445	2,643,059
OWPCLF loan (direct borrowing)		-	190,086	(19,009)	171,077	38,017
Leases payable		1,639,232	307,328	(328,133)	1,618,427	309,820
SBITA payable		73,188	-	(28,221)	44,967	30,476
Net pension liability		43,903,009	-	(4,440,521)	39,462,488	-
Net OPEB liability		893,060	-	(893,060)	-	-
Total other long-term obligations		52,673,363	668,985	(5,708,944)	47,633,404	3,021,372
Total governmental obligations		\$ 63,499,681	\$ 10,288,985	\$ (6,507,105)	\$ 67,281,561	\$ 3,834,534
			Add: Unamortized premium on bond issue:		546,211	
			Less: Unamortized discount on bond issue:		(1,750)	
					\$ 67,826,022	

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

SANDUSKY COUNTY

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

	Restated Balance 1/1/2024	Additions	Reductions	Balance 12/31/24	Amount Due in One Year
<u>Business-type activities:</u>					
<u>Ohio Water Pollution Control loan (direct borrowing):</u>					
State Route 6 Sanitary Sewer	\$ 159,566	\$ -	\$ (24,549)	\$ 135,017	\$ 24,549
Grandview Lift Station	298,238	-	(31,467)	266,771	32,374
Pump Station Improvements	154,997	-	(12,376)	142,621	12,828
Hayes Ave Sewer Replacement	752,109	-	(57,711)	694,398	59,638
Hayes Ave Sewer Phase 2	1,122,672	-	(81,122)	1,041,550	83,195
Lift Station and WWTP	759,480	-	(21,343)	738,137	21,990
White Star Park Sewer and Water Infrastructure	942,151	-	(50,203)	891,948	51,498
Wightman's Grove Sanitary Sewer and Treatment	1,695,093	-	(59,477)	1,635,616	59,477
Total OWPCLF loans	5,884,306	-	(338,248)	5,546,058	345,549
<u>Ohio Public Works Commission loans (direct borrowing):</u>					
Ireland Lift Station	116,167	-	(5,667)	110,500	5,667
E. State Street Sanitary Sewer Phase II - Timple Road	165,000	-	(13,750)	151,250	13,750
General Sewer District Rehabilitation	87,750	-	(4,500)	83,250	4,500
Total OPWC loans	368,917	-	(23,917)	345,000	23,917
<u>Other long-term obligations:</u>					
Leases payable	546	-	(546)	-	-
Net pension liability	529,630	-	(57,070)	472,560	-
Net OPEB liability	10,951	-	(10,951)	-	-
Compensated absences payable*	196,484	14,285	-	210,769	61,184
Total other long-term obligations	737,611	14,285	(68,567)	683,329	61,184
Total business-type obligations	\$ 6,990,834	\$ 14,285	\$ (430,732)	\$ 6,574,387	\$ 430,650

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

On December 17, 2024, the County issued \$9,620,000 in series 2024 general obligation County building improvement bonds to provide funds to pay costs of the construction, adding to, remodeling, renovating, rehabilitating, furnishing, equipping and otherwise improving buildings, facilities and structures for County offices and functions and improving and equipping sites for such buildings, facilities and structures.

The series 2024 general obligation bonds are comprised of \$9,620,000 in serial bonds. The interest rate on the current interest bonds range from 4.000% to 8.000%. The bonds were issued for a thirty year period, with a final stated maturity date of December 1, 2054. The bonds are retired through the debt service fund (a nonmajor governmental fund). There were \$9,620,000 in unspent bond proceeds as of December 31, 2024.

On September 17, 2019, the County issued \$7,660,000 in series 2019 general obligation County building and facilities improvement bonds to provide funds to pay costs of the construction, adding to, remodeling, renovating, rehabilitating, furnishing, equipping and otherwise improving buildings, facilities and structures for County offices and functions and improving and equipping sites for such buildings, facilities and structures.

The series 2019 general obligation bonds are comprised of \$7,660,000 in serial bonds. The interest rate on the current interest bonds range from 2.000% to 4.000%. The bonds were issued for a twenty year period, with a final stated maturity date of December 1, 2039. The bonds are retired through the debt service fund (a nonmajor governmental fund).

SANDUSKY COUNTY

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

On August 11, 2016, the County issued \$5,500,000 in series 2016 special obligation sales tax supported bonds to provide funds to pay costs of constructing, renovating, remodeling, furnishing, equipping, and otherwise improving County buildings, primarily the County Courthouse.

The series 2016 special obligation sales tax supported bonds are comprised of \$5,500,000 in serial bonds. The interest rate on the current interest bonds range from 2.000% to 4.000%. The bonds were issued for a twenty year period, with a final stated maturity date of December 1, 2035. The bonds are retired through the debt service fund (a nonmajor governmental fund).

On June 27, 2012, the County issued \$5,700,000 in series 2012 special obligation sales tax supported bonds. These bonds consisted of \$3,475,000 in series 2012A special obligation sales tax supported refunding bonds to refund the series 2002 various purpose improvement and refunding bonds, \$565,000 in series 2012B special obligation sales tax supported bonds for the juvenile detention center improvement project and \$1,660,000 in series 2012C special obligation federally taxable sales tax supported bonds for the airport facilities and equipment acquisition project.

The series 2012B special obligation sales tax supported bonds for the juvenile detention center improvement project is comprised of term bonds in the amounts of \$105,000, \$210,000 and \$250,000. The interest rates on the term bonds are 1.375%, 2.600% and 3.250%, respectively. The bonds have final stated maturity dates of December 1, 2015, December 1, 2021 and December 1, 2027, respectively. The bonds are retired through the debt service fund (a nonmajor governmental fund).

The series 2012C special obligation federally taxable sales tax supported bonds for the airport facilities and equipment acquisition project issue is comprised of \$810,000 in serial bonds and \$850,000 in term bonds. Any capital related purchases made from the proceeds of these bonds belong to the Sandusky Regional Airport Authority, a component unit of the County. The interest rate on the current interest bonds range from 0.900% to 2.950%. The bonds were issued for an eight year period, with a final stated maturity date of December 1, 2020 for the serial bonds. The interest rate on the term bond is 4.00% with a final stated maturity date of December 1, 2027. The bonds are retired through the debt service fund (a nonmajor governmental fund).

In current and prior years, the County entered into lease payable agreements for postage meters, copier equipment, building space, EMS equipment, and vehicles for the intangible right to use. The lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures in the budgetary statements.

Intangible right to use – equipment with an outstanding lease payable balance of \$4,822 at December 31, 2024 was acquired under the lease payable agreements have not been capitalized due to each item being under the capitalization threshold. During 2024, principal and interest payments relating to leases payable totaled \$328,679 and \$49,576, respectively, paid by the General fund, the EMS fund (a nonmajor governmental fund), the County Board of DD fund, the Dog and Kennel fund (a nonmajor governmental fund), the Drug Task Force fund (a nonmajor governmental fund) and the Sanitary Sewer fund. As of December 31, 2024, the liability for leases payable included in the long-term liabilities of governmental activities totaled \$1,618,427 (\$4,822 of which did not pertain to capital assets). The County fulfilled its lease payable obligations for business-type activities during 2024.

In a prior year, the County entered into SBITA payable agreements for subscription software for the intangible right to use. The SBITA payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures in the budgetary statements.

During 2024, principal and interest payments relating to SBITA payable totaled \$28,221 and \$1,575, respectively, paid by the General fund and the EMS fund (a nonmajor governmental fund). As of December 31, 2024, the liability for SBITA payable included in the long-term liabilities of governmental activities totaled \$44,967.

SANDUSKY COUNTY

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

The County has entered into debt financing arrangements through the Ohio Public Works Commission (OPWC) to fund sewer improvements and bridge/road improvements. The amounts due to the OPWC for the sewer loans are payable solely from operating revenues and the loans in the governmental activities are paid from the debt service fund (a nonmajor governmental fund) and the permanent improvement fund (a nonmajor governmental fund). The loan agreements function similar to a line-of-credit agreement. At December 31, 2024, the County has outstanding borrowings of \$573,157. The loan agreements require semi-annual payments based on the actual amount loaned. The OPWC loans are interest free.

OPWC loans are direct borrowings that have terms negotiated directly between the County and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the County for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the County is located to pay the amount of the default from funds that would otherwise be appropriated to the County from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

The County entered into debt financing arrangements through the Ohio Water Pollution Control Loan Fund (OWPCLF) to fund sewer improvements. The amounts due to the OWPCLF are payable solely from operating revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2024, the County has outstanding borrowings of \$5,717,135. The loan agreements require semi-annual payments based on the actual amount loaned. The loans are payable from the Sanitary Sewer fund and the and the Permanent Improvement fund (a nonmajor governmental fund).

OWPCLF loans are direct borrowings that have terms negotiated directly between the County and the OWPCLF and are not offered for public sale. In the event of default, the OWPCLF 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 compensated absences liability will be paid from the fund from which the employees' salaries are paid, which, for the County is primarily the General fund, County board of DD fund, the Motor Vehicle and Gas Tax fund (a nonmajor governmental fund), the Human Services fund (a nonmajor governmental fund), and the Sanitary sewer fund.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The assessed valuation used in determining the County's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, the County's voted legal debt margin was \$26,644,853 at December 31, 2024 and the unvoted legal debt margin was \$2,111,597 at December 31, 2024.

SANDUSKY COUNTY

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

The following is a summary of the County's future annual debt service principal and interest requirements for governmental activities long-term obligations:

<u>Year Ended</u>	<u>Special Obligations Bonds</u>			<u>General Obligations Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 425,000	\$ 97,950	\$ 522,950	\$ 355,000	\$ 524,756	\$ 879,756
2026	440,000	86,450	526,450	360,000	531,688	891,688
2027	455,000	74,488	529,488	365,000	524,188	889,188
2028	280,000	62,125	342,125	560,000	516,587	1,076,587
2029	290,000	56,525	346,525	580,000	493,987	1,073,987
2030-2034	1,590,000	174,813	1,764,813	3,180,000	2,168,913	5,348,913
2035-2039	340,000	9,350	349,350	3,645,000	1,654,165	5,299,165
2040-2044	-	-	-	1,770,000	1,175,000	2,945,000
2045-2049	-	-	-	2,160,000	790,800	2,950,800
2050-2054	-	-	-	2,625,000	323,000	2,948,000
Total	<u>\$ 3,820,000</u>	<u>\$ 561,701</u>	<u>\$ 4,381,701</u>	<u>\$ 15,600,000</u>	<u>\$ 8,703,084</u>	<u>\$ 24,303,084</u>

<u>Year Ended</u>	<u>OPWC Loans</u>			<u>OWPCLF Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 33,162	\$ -	\$ 33,162	\$ 38,017	\$ -	\$ 38,017
2026	33,162	-	33,162	38,017	-	38,017
2027	33,162	-	33,162	38,017	-	38,017
2028	33,161	-	33,161	38,017	-	38,017
2029	29,516	-	29,516	19,009	-	19,009
2030-2034	29,990	-	29,990	-	-	-
2035-2039	18,950	-	18,950	-	-	-
2040-2044	17,054	-	17,054	-	-	-
Total	<u>\$ 228,157</u>	<u>\$ -</u>	<u>\$ 228,157</u>	<u>\$ 171,077</u>	<u>\$ -</u>	<u>\$ 171,077</u>

<u>Year Ended</u>	<u>SBITA Payable</u>			<u>Lease Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 30,476	\$ 1,024	\$ 31,500	\$ 309,820	\$ 44,745	\$ 354,565
2026	5,680	320	6,000	261,422	35,911	297,333
2027	5,835	165	6,000	252,056	28,443	280,499
2028	2,976	23	2,999	250,080	20,951	271,031
2029	-	-	-	149,367	14,341	163,708
2030-2034	-	-	-	395,682	20,993	416,675
Total	<u>\$ 44,967</u>	<u>\$ 1,532</u>	<u>\$ 46,499</u>	<u>\$ 1,618,427</u>	<u>\$ 165,384</u>	<u>\$ 1,783,811</u>

SANDUSKY COUNTY

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

The following is a summary of the County's future annual debt service requirements for business-type activities obligations:

<u>Year Ended</u>	<u>OPWC Loans</u>			<u>OWPCLF Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 23,917	\$ -	\$ 23,917	\$ 345,549	\$ 105,479	\$ 451,028
2026	23,916	-	23,916	353,063	97,965	451,028
2027	23,917	-	23,917	360,796	90,232	451,028
2028	23,917	-	23,917	368,757	82,271	451,028
2029	23,917	-	23,917	376,948	74,080	451,028
2030-2034	119,583	-	119,583	1,794,530	241,770	2,036,300
2035-2039	64,583	-	64,583	874,796	85,164	959,960
2040-2044	41,250	-	41,250	480,264	37,342	517,606
2045-2049	-	-	-	442,663	8,876	451,539
2050-2052	-	-	-	148,692	-	148,692
Total	<u>\$ 345,000</u>	<u>\$ -</u>	<u>\$ 345,000</u>	<u>\$ 5,546,058</u>	<u>\$ 823,179</u>	<u>\$ 6,369,237</u>

NOTE 15 - RISK MANAGEMENT

A. General Insurance

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2024, the County contracted with County Risk Sharing Authority (CORSA) for liability, property and crime insurance. The CORSA program has a \$2,500 deductible. Coverages provided by CORSA are as follows:

<u>Type of Coverage</u>	<u>Amount</u>
General Liability (per occurrence)	\$ 1,000,000
Law Enforcement Liability (per occurrence)	1,000,000
Automobile Liability and Physical Damage	
Liability (per occurrence)	1,000,000
Medical payments	
Per Person	5,000
Per Occurrence	50,000
Uninsured Motorist (per person)	250,000
Errors and Omissions	1,000,000
Excess Liability	7,000,000
Property	190,010,209
Equipment Breakdown	100,000,000
Crime Insurance:	
Faithful Performance	1,000,000

With the exceptions of health insurance, life insurance, and workers' compensation, all insurance is held with CORSA (See Note 2). There has been no significant reduction in coverage from prior year and settled claims have not exceeded limits of coverage in the past three years. The County pays all elected officials' bonds in accordance with statute.

SANDUSKY COUNTY

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

B. Health and Vision Insurance

The County provides comprehensive health and vision insurance coverage to its employees through a traditionally funded plan. The County purchases commercial health insurance coverage. The County pays 87% of the monthly premium while the employee pays 13%. The entire risk of loss transfers to the commercial insurance carrier. The County's monthly premium requirement is as follows:

	Family Coverage	Single Coverage
CEBCO	\$ 1,571.66	\$ 596.21

C. Insurance Purchasing Pool

For 2024, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (See Note 2). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by 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 participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

D. Natural Gas

The County participates in the County Commissioners Association of Ohio Service Corporation National Gas Program (the Program), a natural gas cost savings pool. There are currently over 50 counties participating. The program allows additional counties and/or additional county facilities to join at any time. Approximate savings range from \$.20 to \$1.52 per thousand cubic foot and this savings has been maintained since the inception of the program. The program is administered through Palmer Energy.

NOTE 16 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset) and Net OPEB Asset

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

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

SANDUSKY COUNTY

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

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

The remainder of this note includes the pension disclosures. See Note 17 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

SANDUSKY COUNTY

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

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

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

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

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

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

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

SANDUSKY COUNTY

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

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

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

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

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

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

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

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

SANDUSKY COUNTY

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

The County's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$4,315,847 for 2024. Of this amount, \$355,784 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective Aug. 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after Aug. 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

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

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

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

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

A DB or Combined Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members, on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance.

SANDUSKY COUNTY

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension. The County's contractually required contribution to STRS was \$23,534 for 2024. Of this amount, \$21,439 is reported as due to other governments.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.164394%	0.112637%	0.074532%	0.003315%	
Proportion of the net pension liability/asset current measurement date	<u>0.166773%</u>	<u>0.113162%</u>	<u>0.067677%</u>	<u>0.001678%</u>	
Change in proportionate share	<u>0.002379%</u>	<u>0.000525%</u>	<u>-0.006855%</u>	<u>-0.001637%</u>	
Proportionate share of the net pension liability	\$ 39,612,237	\$ -	\$ -	\$ 322,811	\$ 39,935,048
Proportionate share of the net pension (asset)	-	(315,576)	(6,849)	-	(322,425)
Pension expense	5,487,699	23,178	(650)	(86,478)	5,423,749

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SANDUSKY COUNTY

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

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 647,428	\$ 12,787	\$ 14,707	\$ 20,328	\$ 695,250
Net difference between projected and actual earnings on pension plan investments	7,995,439	51,327	1,215	-	8,047,981
Changes of assumptions	-	11,713	236	14,876	26,825
Changes in employer's proportionate percentage/ difference between employer contributions	677,588	-	-	65,758	743,346
Contributions subsequent to the measurement date	4,207,754	59,135	48,958	9,689	4,325,536
Total deferred outflows of resources	<u>\$ 13,528,209</u>	<u>\$ 134,962</u>	<u>\$ 65,116</u>	<u>\$ 110,651</u>	<u>\$ 13,838,938</u>
	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ -	\$ 31,217	\$ -	\$ 177	\$ 31,394
Net difference between projected and actual earnings on pension plan investments	-	-	-	27,758	27,758
Changes of assumptions	-	-	-	11,198	11,198
Changes in employer's proportionate percentage/ difference between employer contributions	8,522	-	-	303,877	312,399
Total deferred inflows of resources	<u>\$ 8,522</u>	<u>\$ 31,217</u>	<u>\$ -</u>	<u>\$ 343,010</u>	<u>\$ 382,749</u>

\$4,325,536 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability (asset) in the year ending December 31, 2025.

SANDUSKY COUNTY

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

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
2025	\$ 2,515,977	\$ 7,832	\$ 2,527	\$ (102,911)	\$ 2,423,425
2026	2,832,238	14,120	2,577	(14,503)	2,834,432
2027	5,102,239	29,572	2,905	(52,324)	5,082,392
2028	(1,138,521)	(8,492)	1,704	(72,310)	(1,217,619)
2029	-	862	1,653	-	2,515
Thereafter	-	716	4,792	-	5,508
Total	<u>\$ 9,311,933</u>	<u>\$ 44,610</u>	<u>\$ 16,158</u>	<u>\$ (242,048)</u>	<u>\$ 9,130,653</u>

Actuarial Assumptions - OPERS

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

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

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

Wage inflation

Current measurement date 2.75%

Prior measurement date 2.75%

Future salary increases, including inflation

Current measurement date 2.75% to 10.75% including wage inflation

Prior measurement date 2.75% to 10.75% including wage inflation

COLA or ad hoc COLA

Current measurement date Pre 1/7/2013 retirees: 3.00%, simple

Post 1/7/2013 retirees: 2.30%, simple
through 2024, then 2.05% simple

Prior measurement date Pre 1/7/2013 retirees: 3.00%, simple

Post 1/7/2013 retirees: 3.00%, simple
through 2023, then 2.05% simple

Investment rate of return

Current measurement date 6.90%

Prior measurement date 6.90%

Actuarial cost method

Individual entry age

SANDUSKY COUNTY

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

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

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

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

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

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

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

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

SANDUSKY COUNTY

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

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%, 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%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 62,360,306	\$ 39,612,237	\$ 20,692,455
Combined Plan	(190,959)	(315,576)	(413,745)
Member-Directed Plan	(4,912)	(6,849)	(8,596)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 and June 30, 2023, actuarial valuations are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2024 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

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

SANDUSKY COUNTY

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

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

* Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the proportionate share of the net pension liability as of June 30, 2024, calculated using the current period discount rate assumption of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability	\$ 520,750	\$ 322,811	\$ 155,388

Assumption and Benefit Changes Since the Prior Measurement Date - The discount rate remained at 7.00% for June 30, 2024 valuation.

NOTE 17 - POSTEMPLOYMENT BENEFITS

Net OPEB (Asset)

See Note 16 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.

SANDUSKY 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:

SANDUSKY 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
<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	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% and 90.00% of the base allowance for both non-Medicare and Medicare retirees.

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

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

SANDUSKY COUNTY

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$29,438 for 2024. Of this amount, \$2,427 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 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. STRS's total OPEB asset was measured as of June 30, 2024, and the total OPEB (asset) used to calculate the net OPEB (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	OPERS	STRS	Total
Proportion of the net OPEB liability			
prior measurement date	0.159259%	0.003315%	
Proportion of the net OPEB liability (asset)			
current measurement date	<u>0.161218%</u>	<u>0.001678%</u>	
Change in proportionate share	<u>0.001959%</u>	<u>-0.001637%</u>	
Proportionate share of the net OPEB asset	\$ (1,320,077)	\$ (31,822)	\$ (1,351,899)
OPEB expense	(145,276)	(3,389)	(148,665)

SANDUSKY COUNTY

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

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

	OPERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 1,384	\$ 1,384
Net difference between projected and actual earnings on OPEB plan investments	792,777	-	792,777
Changes of assumptions	339,853	3,917	343,770
Changes in employer's proportionate percentage/difference between employer contributions	99	8,334	8,433
Contributions subsequent to the measurement date	29,438	-	29,438
Total deferred outflows of resources	<u>\$ 1,162,167</u>	<u>\$ 13,635</u>	<u>\$ 1,175,802</u>
	OPERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 187,886	\$ 3,431	\$ 191,317
Net difference between projected and actual earnings on OPEB plan investments	-	1,364	1,364
Changes of assumptions	567,463	14,352	581,815
Changes in employer's proportionate percentage/difference between employer contributions	36,467	2,508	38,975
Total deferred inflows of resources	<u>\$ 791,816</u>	<u>\$ 21,655</u>	<u>\$ 813,471</u>

\$29,438 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2025.

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

SANDUSKY COUNTY

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

Year Ending December 31:	OPERS	STRS	Total
2025	\$ (58,621)	\$ (4,099)	\$ (62,720)
2026	50,125	(1,435)	48,690
2027	617,107	(1,966)	615,141
2028	(267,698)	(1,732)	(269,430)
2029	-	(1,243)	(1,243)
Thereafter	-	2,455	2,455
Total	<u>\$ 340,913</u>	<u>\$ (8,020)</u>	<u>\$ 332,893</u>

Actuarial Assumptions - OPERS

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

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

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

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

SANDUSKY COUNTY

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

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

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

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

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

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

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

SANDUSKY COUNTY

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

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

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%, 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%) or one-percentage-point higher (6.70%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB liability (asset)	\$ 725,475	\$ (1,320,077)	\$ (3,014,523)

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

- Changes in the health care cost trend rate may also have a significant impact on the net OPEB (asset). The following table presents the net OPEB (asset) calculated using the assumed trend rates, and the expected net OPEB (asset) if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

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

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB (asset)	\$ (1,374,891)	\$ (1,320,077)	\$ (1,257,879)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 actuarial valuation, compared with June 30, 2023 actuarial valuation, are presented below:

SANDUSKY COUNTY

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

	June 30, 2024		June 30, 2023	
Projected salary increases	Varies by service from 2.50% to 8.50%		Varies by service from 2.50% to 8.50%	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	7.50%	4.14%
Medicare	-112.22%	3.94%	-10.94%	4.14%
Prescription Drug				
Pre-Medicare	8.00%	3.94%	-11.95%	4.14%
Medicare	-15.14%	3.94%	1.33%	4.14%

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

For the June 30, 2024 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2024 valuation.

Benefit Term Changes Since the Prior Measurement Date - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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

SANDUSKY COUNTY

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

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

* Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

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

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB (asset)	\$ (25,874)	\$ (31,822)	\$ (36,999)
	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB (asset)	\$ (37,348)	\$ (31,822)	\$ (25,176)

NOTE 18 - FUND BALANCE

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

SANDUSKY COUNTY

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

Fund balance	General	County Board of DD	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 235,931	\$ 10,925	\$ 454,949	\$ 701,805
Prepays	180,228	203	137,311	317,742
Long-term loans	10,000	-	-	10,000
Unclaimed monies	617,466	-	-	617,466
Total nonspendable	<u>1,043,625</u>	<u>11,128</u>	<u>592,260</u>	<u>1,647,013</u>
Restricted:				
Legislative and executive operations	157,184	-	1,772,589	1,929,773
Judicial	-	-	4,401,013	4,401,013
Public safety programs	38,579	-	9,741,112	9,779,691
Public works projects	-	-	4,324,088	4,324,088
Health programs	-	-	604,740	604,740
Human services programs	-	21,436,255	4,639,736	26,075,991
Economic development and assistance	1	-	99,375	99,376
Debt service	-	-	356,093	356,093
Capital projects	-	-	10,258,951	10,258,951
Total restricted	<u>195,764</u>	<u>21,436,255</u>	<u>36,197,697</u>	<u>57,829,716</u>
Committed:				
Legislative and executive operations	6,763	-	7,407	14,170
Judicial	-	-	554,476	554,476
Capital projects	-	-	892,466	892,466
Termination benefits	5,814	-	-	5,814
Medical benefits	314,935	-	-	314,935
Total committed	<u>327,512</u>	<u>-</u>	<u>1,454,349</u>	<u>1,781,861</u>
Assigned:				
Legislative and executive operations	81,423	-		81,423
Judicial	14,978	-	-	14,978
Public safety programs	14,509	-	-	14,509
Health programs	7,549	-	-	7,549
Human services programs	866	-	-	866
Capital outlay	2,817	-	-	2,817
Subsequent year appropriations	731,267	-	-	731,267
Total assigned	<u>853,409</u>	<u>-</u>	<u>-</u>	<u>853,409</u>
Unassigned (deficit)	<u>6,164,337</u>	<u>-</u>	<u>-</u>	<u>6,164,337</u>
Total fund balances	<u>\$ 8,584,647</u>	<u>\$ 21,447,383</u>	<u>\$ 38,244,306</u>	<u>\$ 68,276,336</u>

NOTE 19 - OTHER COMMITMENTS

The County utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the County's commitments for encumbrances in the governmental funds were as follows:

SANDUSKY COUNTY

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 125,800
County Board of DD	440,019
Other governmental	<u>1,311,714</u>
Total	<u>\$ 1,877,533</u>

NOTE 20 - CONTINGENT LIABILITIES

A. Grants

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

B. Litigation

Several claims and lawsuits are pending against the County. In the opinion of the County Prosecutor, no liability is anticipated in excess of insurance coverage.

NOTE 21 - TAX ABATEMENTS

As of December 31, 2024, the County provides tax abatements through two programs – Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

SANDUSKY COUNTY

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

The County has entered into the following Enterprise Zone (EZ) tax abatement agreements for the abatement of real property taxes:

- Agreement between the County, Ballville Township and the City of Fremont
- Agreement between the County, Sandusky Township and the City of Fremont
- Agreement between the County, Madison Township, the Village of Gibsonburg and Gibsonburg EVSD
- Agreement between the County, the City of Clyde, and Clyde EVSD

The EZ and CRA agreements entered into by Commissioner Resolution between 2010-2023. The County's property taxes collections were reduced by \$53,427 during 2024.

The County also incurs a reduction in property taxes by agreements entered into by other governments that reduce the County's taxes. The County's property taxes were reduced by the same programs mentioned above that were entered into by other governments. During 2024, the County's property tax revenues were reduced under agreements entered into by other governments as follows:

Government Entering Into Agreement	Tax Abatement Program		County Taxes Abated
	CRA	Ezone	
City of Bellevue	\$ 106,618	\$ -	\$ 106,618
City of Fremont	78,321	34,855	113,176
Total	<u>\$ 184,939</u>	<u>\$ 34,855</u>	<u>\$ 219,794</u>

NOTE 22 - SANDUSKY REGIONAL AIRPORT AUTHORITY

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Sandusky County Regional Airport Authority, Sandusky County, Ohio (the Authority) as a body corporate and politic. The Sandusky County Commissioners appoint five Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of Sandusky County Regional Airport. The County Commissioners are responsible for debt issued on behalf of the Authority. Due to the imposition of will exerted by the County as well as the financial burden of the Authority, the Authority is reflected as a component unit of Sandusky County. The Authority has a December 31 year end.

Sandusky County (the County) is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organization are Component Units, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, in defining the financial reporting entity. The County's primary government and basic financial statement include component units, which are defined as legally separate organization 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 impose its will over the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; or (3) the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the County is obligated for the debt of the organization. The Authority is a legally separate entity and is reported by the County as a discretely presented component unit in the County's basic financial statements. The Authority does not have any component units and does not include any organizations in its presentation.

SANDUSKY COUNTY

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

B. Basis of Accounting

The financial statements of the Authority have been prepared in conformity with GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Authority's accounting policies are described below.

The Authority's basis financial statements consist of government-wide financial statement, including a Statement of Net Position and a Statement of Activities, and the fund financial statements which provide a more detail level of financial information.

C. Measurement Focus

Government-Wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. The statement of net position and the statement of activities display information about the Authority as a whole. The statements include the financial activities of the primary government, except for the fiduciary funds. These statements usually distinguish between those activities of the Authority that are governmental and those that are business-type. The Authority, however, does not have any business-type activities.

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

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

D. Fund Accounting

The Authority uses fund accounting to segregate cash and investments that are restricted to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations, restrictions or limitations. For financial statement purposes, the Authority's funds are classified as governmental.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets plus deferred outflows less liabilities plus deferred inflows is reported as fund balance. The following are the Authority's major governmental funds:

SANDUSKY COUNTY

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

General Fund – The General Fund reports all financial resources except those required to be accounted for in another fund.

Airport Improvement Program Grant Fund – This fund received federal money for design services for the runway rehabilitation project.

E. Cash and Cash Equivalents

The Authority maintains depository accounts. All funds of the Authority are maintained in these accounts. These interest-bearing deposits accounts are presented in the balance sheet as “Cash and Cash Equivalents.” The Authority has no investments.

F. Capital Assets

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

Capital assets are stated at cost at the approximate fair value at the date of purchase. All capital assets in excess of \$5,000 and all expenditures for repairs, maintenance, renewal and betterments that materially prolong the useful lives of assets are capitalized. Depreciation is computed using the straight line basis. Expenditures for maintenance and repairs are expensed as incurred.

G. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

H. Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

I. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Authority must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - The Authority classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Restricted - Fund balance is 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.

SANDUSKY COUNTY

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

Committed - Trustees can commit amounts via formal action (resolution). The Authority must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the General fund report all fund balances as assigned unless they are restricted or committed. In the General fund, assigned amounts represent intended uses established by the Board or an Authority official delegated that authority by resolution, or by State Statute.

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

The Authority 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.

J. Income Tax Status

The Authority is a not-for-profit organization, exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Authority is not a private foundation within the meaning of Section 509 (a). Contributions to the Authority are deductible per Section 170(b)(1)(A)(v1). Management is unaware of any actions or events that would jeopardize the Authority's tax status.

K. Revenues - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the Authority receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the authority on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, intergovernmental revenue sources are considered to be both measurable and available at year-end.

L. Deferred Outflows of Resources and Deferred Inflows of Resources

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

SANDUSKY COUNTY

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

M. Pensions/Other Postemployment Benefits (OPEB)

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

N. Expense/Expenditures

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

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

O. Estimates

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

P. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Q. Inventory

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

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

R. Equity in Pooled Deposits

At December 31, 2024, the carrying amount of all Authority deposits was \$71,967. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2024, all of the Authority's bank balance of \$83,103 was covered by the Federal Deposit Insurance Corporation (FDIC).

SANDUSKY COUNTY

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

Custodial credit risk is the risk that, in the event of bank failure, the Authority will not be able to recover deposit or collateral securities that are in the possession of an outside party. The Authority has no deposit policy for custodial credit risk beyond the requirements of State statute.

Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Authority 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 (2) participation in the OPCS, 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 at a reduced rate by the Treasurer of State.

S. Receivables

Receivables at December 31, 2024 consisted of the amounts from accounts receivable. All receivables are considered collectible in full. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Accounts receivable	\$ <u>4,035</u>
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Receivables have been disaggregated on the face of the basis financial statements. All receivables are expected to be collected within the subsequent year.

T. Capital Assets

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

	Balance 12/31/2023	Additions	Deductions	Balance 12/31/2024
<i>Capital asset not being depreciated:</i>				
Land	\$ 863,291	\$ -	\$ -	\$ 863,291
<i>Capital assets, being depreciated:</i>				
Buildings	1,793,215	-	-	1,793,215
Improvements	6,405,050	160,964	-	6,566,014
Equipment	403,204	15,414	-	418,618
Total capital assets, being depreciated:	<u>8,601,469</u>	<u>176,378</u>	<u>-</u>	<u>8,777,847</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(999,755)	(54,834)	-	(1,054,589)
Improvements	(3,623,448)	(248,558)	-	(3,872,006)
Equipment	(168,577)	(11,285)	-	(179,862)
Total accumulated depreciation	<u>(4,791,780)</u>	<u>(314,677)</u>	<u>-</u>	<u>(5,106,457)</u>
Total capital assets, being depreciated net	<u>3,809,689</u>	<u>(138,299)</u>	<u>-</u>	<u>3,671,390</u>
Capital assets, net	<u>\$ 4,672,980</u>	<u>\$ (138,299)</u>	<u>\$ -</u>	<u>\$ 4,534,681</u>

U. Defined Benefit Pension Plan

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

SANDUSKY COUNTY

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

Net Pension Liability and Net OPEB Liability (Asset)

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

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

The net pension/OPEB liability (asset) represents the Authority'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 Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

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

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

SANDUSKY COUNTY

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

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):

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

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.

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%. 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%.

SANDUSKY 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% 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
2024 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2024 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

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

** 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 and are expressed as a percentage of covered payroll.

The Authority's contractually required contribution for the Traditional Pension Plan was \$16,089 for 2024. Of this amount, \$1,338 is reported as OPERS payable.

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

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

SANDUSKY COUNTY

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

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

	<u>OPERS - Traditional</u>
Proportion of the net pension liability prior measurement date	0.000814%
Proportion of the net pension liability current measurement date	<u>0.000762%</u>
Change in proportionate share	<u>-0.000052%</u>
Proportionate share of the net pension liability	\$ 199,495
Pension expense	114,280

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

	<u>OPERS - Traditional</u>
Deferred outflows of resources	
Differences between expected and actual experience	\$ 3,260
Net difference between projected and actual earnings on pension plan investments	40,264
Changes in employer's proportionate percentage/ difference between employer contributions	45,804
Contributions subsequent to the measurement date	16,089
Total deferred outflows of resources	<u>\$ 105,417</u>
Deferred inflows of resources	
Changes in employer's proportionate percentage/ difference between employer contributions	\$ 6,102
Total deferred inflows of resources	<u>\$ 6,102</u>

\$16,089 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability in the year ending December 31, 2025.

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

SANDUSKY COUNTY

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

Year Ending December 31:		OPERS - Traditional
	2025	\$ 51,617
	2026	11,650
	2027	25,692
	2028	(5,733)
Total		<u>\$ 83,226</u>

Actuarial Assumptions - OPERS

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

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

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

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

SANDUSKY COUNTY

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

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

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

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

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

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

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

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

SANDUSKY COUNTY

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

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

- The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of the net pension liability:			
Traditional Pension Plan	\$ 314,058	\$ 199,495	\$ 104,211

V. Defined Benefit OPEB Plan

Net OPEB Liability (Asset)

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

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

SANDUSKY COUNTY

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

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:

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

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

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

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

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

SANDUSKY COUNTY

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was zero for 2024.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 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 Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

SANDUSKY COUNTY

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

	<u>OPERS</u>
Proportion of the net OPEB liability prior measurement date	0.000759%
Proportion of the net OPEB liability/asset current measurement date	<u>0.000710%</u>
Change in proportionate share	<u>-0.000049%</u>
Proportionate share of the net OPEB asset	\$ 6,408
OPEB expense	(369)

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

	<u>OPERS</u>
Deferred outflows of resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 3,850
Changes of assumptions	1,649
Changes in employer's proportionate percentage/ difference between employer contributions	291
Total deferred outflows of resources	<u>\$ 5,790</u>

	<u>OPERS</u>
Deferred inflows of resources	
Differences between expected and actual experience	\$ 912
Changes of assumptions	2,754
Total deferred inflows of resources	<u>\$ 3,666</u>

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

	<u>OPERS</u>
Year Ending December 31:	
2025	\$ 71
2026	358
2027	2,996
2028	<u>(1,301)</u>
Total	<u>\$ 2,124</u>

SANDUSKY COUNTY

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

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB 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%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.70%
Prior Measurement date	5.22%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	3.77%
Prior Measurement date	4.05%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2038
Prior Measurement date	5.50% initial, 3.50% ultimate in 2036
Actuarial Cost Method	Individual Entry Age

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

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

SANDUSKY COUNTY

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

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

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

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

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

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

SANDUSKY COUNTY

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

Sensitivity of the Authority'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%, 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%) or one-percentage-point higher (6.70%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of the net OPEB liability/(asset)	\$ 3,522	\$ (6,408)	\$ (14,633)

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

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

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB (asset)	\$ (6,674)	\$ (6,408)	\$ (6,106)

W. Risk Management

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles; and
- Errors and omissions

The Authority has had no significant reductions in any of its insurance coverage from that maintained in prior years. Additionally, there have been no insurance settlements that have exceeded insurance coverage in any of the past three years.

Worker's Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Authority pays the State Workers' Compensation System a premium based rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

SANDUSKY COUNTY

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

X. Contingent Liability

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. The grantor 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.

Y. Accountability and Compliance

Change in Accounting Principles

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

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

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 Authority.

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 Authority.

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

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 Authority.

NOTE 23 - SANDUSKY COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

A. Description of the Entity

The Sandusky County Transportation Improvement District, Sandusky County, Ohio (the District) is a body corporate and politic established to plan, construct and improve highways, roads, bridges, interchanges and accompanying capital improvements and developments throughout Sandusky County.

The District was formed under the Ohio Revised Code Chapter 5544.02, by action of the Board of Sandusky County Commissioners on May 22, 2012. The resolution to create the District states the Board shall consist of seven members. The members shall be appointed as follows: five (5) members shall be appointed by the County Commissioners; one (1) nonvoting member appointed by the Speaker of the Ohio House of Representatives of the general assembly; and one (1) nonvoting member appointed by the President of the Senate of the general assembly.

SANDUSKY COUNTY

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

The Sandusky County Auditor acts as fiscal agent for the District and the Sandusky County Treasurer acts as custodian of all funds. The District's management believes these financial statements present all activities for which the District is financial accountable.

B. Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2- 03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2- 03(D) permit.

C. Deposits and Investments

The Sandusky County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies all funds into the General Fund type, which accounts for and reports all financial resources not accounted for and reported in another fund.

E. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Restricted - Fund balance is 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 - Trustees can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the General fund report all fund balances as assigned unless they are restricted or committed. In the General fund, assigned amounts represent intended uses established by District Trustees or a District official delegated that authority by resolution, or by State Statute.

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

SANDUSKY COUNTY

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

The District 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.

F. Property, Plant and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Risk Management

The District has not obtained insurance and is uninsured for general liability insurance coverage.

H. Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor 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 24 - SANDUSKY COUNTY LAND REUTILIZATION CORPORATION

A. Description of the Entity

Sandusky County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on June 29, 2015 when the Sandusky 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 Sandusky 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.

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 the 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.

SANDUSKY COUNTY

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

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 component unit of Sandusky County, Ohio.

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

The Corporation's significant accounting policies are described below.

B. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

During the year, the Corporation segregates transactions related to certain Corporation 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 Corporation at this more detailed level. The Corporation's General fund is its only governmental fund.

SANDUSKY COUNTY

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

C. Fund Accounting

The Corporation uses fund accounting to segregate cash and investments that are restricted as to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations, restrictions or limitations. For financial statement presentation purposes, the Corporation's fund is classified as governmental.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets plus deferred outflows less liabilities plus deferred inflows is reported as fund balance. The following is the Corporation's only governmental fund:

General Fund - The General fund accounts for all financial resources that are received from the County Treasurer from penalties collected on delinquent property taxes and interest on those delinquencies.

The General fund receives 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Real Estate Tax Assessment and Collection (DRETAC) fund. The General fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

D. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

E. Basis of Accounting

Basis of accounting determines when transactions are recorded on the financial records and reported on the financial statements. Government-wide statements are prepared using the accrual basis of accounting. The General fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflow of resources and in the presentation of expenses versus expenditures.

SANDUSKY COUNTY

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

Revenues - Exchange and Nonexchange Transactions

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

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

Under the modified accrual basis, intergovernmental revenue sources are considered to be both measurable and available at year-end.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. At year-end, there were no deferred outflows of resources.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Corporation, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period.

Expenses/ Expenditures

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

F. Budget Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The Board of Directors of the Corporation adopts an annual budget prior to the beginning of the fiscal year. Appropriations and subsequent amendments are approved by the Board of Directors during the year as required.

G. Federal Income Tax

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

SANDUSKY COUNTY

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

H. Cash and Cash Equivalents

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

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

I. Capital Assets

The Corporation is reporting intangible right-to-use assets related to leased equipment and buildings. The intangible assets are being amortized in a systemic and rational manner of the shorter of the lease term or the useful life of the underlying asset. In addition, assets having an estimated useful life of more than one year that are below the \$5,000 threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

J. Accrued Liabilities and Long-Term Obligations

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

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

K. Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2024.

L. Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price plus any costs of maintenance, rehabilitation, or demolition of homes on the properties. For donated properties, the asset is reported at fair value which is based on the taxable land value as determined by the County Auditor.

The Corporation holds the properties until the home is either sold to a new homeowner, sold to an individual who will rehabilitate the home, or the home on the property is demolished. Properties with demolished homes could be transferred to the Corporation or township they are in after demolition; parcels may be merged with adjacent parcels for development or green space projects; or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost. The Corporation had \$27,200 of assets held for resale at December 31, 2024.

M. Intergovernmental Revenue

The Corporation receives operating income through Sandusky County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request.

SANDUSKY COUNTY

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

N. Fund Balance

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

Nonspendable Fund Balance - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) 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, for example, inventories and prepaid amounts.

Restricted Fund Balance - The restricted classification is used 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 imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Corporation’s Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors remove 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 Fund Balance - Assigned fund balance includes amounts that are constrained by the Corporation’s intent to be used for specific purposes, but are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by policies of the Board of Directors. The Board of Directors has by resolution authorized the Treasurer to assign fund balance. The Board of Directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the General fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund.

The Corporation applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

O. Estimates

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

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2024.

SANDUSKY COUNTY

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

Q. Compensated Absences

The Corporation recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settles (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, one type of leave qualifies for liability recognition for compensated absences – personal time off. The liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Personal Time Off – The Corporation’s policy permits employees to accumulate earned but unused personal time off. All personal time off leave lapses when employees leave the employment of the Corporation and, upon separation from service, the employee received compensation in accordance with the severance policy. A liability for estimated value of personal time off that will be used by employees as time off and at separation is included in the liability for compensated absences.

R. Accountability and Compliance / Change in Accounting Principles

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

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

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 Corporation.

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 Corporation.

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

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 Corporation.

S. Deposits

At December 31, 2024, the carrying amount of all Corporation deposits was \$350,696. Based on the criteria described in GASB Statement No. 40, “*Deposits and Investment Risk Disclosures*”, as of December 31, 2024, \$250,000 of the Corporation’s bank balance of \$351,125 was covered by the Federal Deposit Insurance Corporation (FDIC).

SANDUSKY COUNTY

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

Custodial credit risk is the risk that, in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Corporation's 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 (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by the FDIC.

T. Risk Management

Commercial General Liability and Products/ Completed Operations Liability

The Corporation is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the Corporation contracted with Huntington Insurance for General and Nonprofit Organization Directors and Officers Liability Insurance.

The limitations of coverages are as follows:

General Aggregate	\$2,000,000
Products and Completed Operations Aggregate	\$2,000,000
Personal and Advertising Liability	\$1,000,000
Each Occurrence Limit	\$1,000,000
Damage to Rented Premises – each occurrence	\$100,000
Medical Expense – any one person	\$5,000
Bodily Injury Liability and/or Property Damage	
Liability Deductible per claim	None
Nonprofit Organization D&O	\$1,000,000
Investigative Costs Sublimit	\$100,000
Excess Benefits Transaction Sublimit	\$20,000

There has been no reduction in coverage from the prior year and settled claims have not exceeded the Corporation's coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

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SANDUSKY COUNTY

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

U. Capital Assets

A summary of the Corporation's capital assets at December 31, 2024, follows.

	Balance 12/31/2023	Additions	Deductions	Balance 12/31/2024
<i>Capital assets, being amortized</i>				
Intangible right to use:				
Leased building	\$ 29,302	\$ 48,176	\$ (29,302)	\$ 48,176
Leased equipment	3,220	-	-	3,220
<i>Total capital assets, being amortized</i>	<u>32,522</u>	<u>48,176</u>	<u>(29,302)</u>	<u>51,396</u>
<i>Less: accumulated amortization</i>				
Intangible right to use:				
Leased building	(19,534)	(12,062)	29,302	(2,294)
Leased equipment	(1,797)	(899)	-	(2,696)
<i>Total accumulated amortization</i>	<u>(21,331)</u>	<u>(12,961)</u>	<u>29,302</u>	<u>(4,990)</u>
<i>Net capital assets</i>	<u>\$ 11,191</u>	<u>\$ 35,215</u>	<u>\$ -</u>	<u>\$ 46,406</u>

Amortization expense was charged to governmental functions as follows:

Office costs	<u>\$ 12,961</u>
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V. Long-term Obligations

Changes in the Corporation's long-term obligations during 2024 were as follows.

	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Due Within One Year
Leases payable	\$ 11,499	\$ 48,176	\$ (10,952)	\$ 48,723	\$ 9,418
Compensated absences	-	520	-	520	260
<i>Total long-term liabilities</i>	<u>\$ 11,499</u>	<u>\$ 48,696</u>	<u>\$ (10,952)</u>	<u>\$ 49,243</u>	<u>\$ 9,678</u>

Lease payable - The Corporation has entered into a lease agreement for the use of right to use equipment and a building. Due to the implementation of GASB Statement No. 87, the Corporation will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases.

The Council has entered into a lease agreement for copier equipment as follows:

Leases	Lease Commencement Date	Years	Lease End Date	Payment Method
Office space	2025	5	2029	Monthly
Office space	2020	4	2024	Monthly
Copier	2020	5	2025	Monthly

SANDUSKY COUNTY

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 9,418	\$ 1,575	\$ 10,993
2026	9,389	1,051	10,440
2027	9,675	765	10,440
2028	9,969	471	10,440
2029	10,272	168	10,440
Total	<u>\$ 48,723</u>	<u>\$ 4,030</u>	<u>\$ 52,753</u>

Compensated absences – Compensated absences will be paid from the fund in which the employee's salary is paid.

W. Transactions with Sandusky County

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Sandusky County Board of Commissioners to receive 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Real Estate Tax Assessment and Collection (DRETAC) fund and will be available for appropriation by the Corporation to fund operations.

At December 31, 2024, the Corporation recognized revenues of \$99,853 for these fees that were collected by the County in 2024.

X. Contingencies

The Corporation received financial assistance from State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Corporation.

Y. Social Security

The Corporation's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2 percent of their gross salaries. The Corporation contributed an amount equal to 6.2 percent of participants' gross salaries. The Corporation has paid all contributions required through December 31, 2024.

NOTE 25 - SIGNIFICANT SUBSEQUENT EVENTS

On January 7, 2025 the County issued \$6,450,000 in series 2025 special obligation sales tax supported bonds. The bonds carry an interest rate ranging from 4.00% to 10.00%. The bonds were issued for a twenty-nine year period, with a final stated maturity date of December 1, 2054.

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Real estate and other taxes	\$ 3,792,399	\$ 3,792,399	\$ 3,729,723	\$ (62,676)
Sales taxes	4,400,000	4,650,000	4,932,185	282,185
Charges for services.	2,300,000	2,300,000	2,490,639	190,639
Licenses and permits	3,000	3,000	3,885	885
Fines, forfeitures and settlements	375,000	375,000	382,840	7,840
Intergovernmental.	2,310,610	2,310,610	2,086,840	(223,770)
Investment income.	700,000	1,700,000	2,278,041	578,041
Rental income	228,932	228,932	256,768	27,836
Refunds and reimbursements.	2,100,000	2,128,538	2,179,296	50,758
Total revenues	<u>16,209,941</u>	<u>17,488,479</u>	<u>18,340,217</u>	<u>851,738</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	8,513,965	9,939,673	9,691,834	(247,839)
Judicial	4,022,224	4,276,745	4,145,233	(131,512)
Public safety	9,066,887	9,558,062	9,561,505	3,443
Health	123,697	137,047	136,950	(97)
Human services.	698,881	698,981	658,053	(40,928)
Capital outlay	221,850	4,246,263	3,394,479	(851,784)
Intergovernmental.	215,300	215,700	215,400	(300)
Total expenditures	<u>22,862,804</u>	<u>29,072,471</u>	<u>27,803,454</u>	<u>(1,269,017)</u>
Excess of expenditures over revenues.	<u>(6,652,863)</u>	<u>(11,583,992)</u>	<u>(9,463,237)</u>	<u>2,120,755</u>
Other financing sources (uses):				
Bond issuance.	-	-	1,551	1,551
Transfers in	5,600,462	5,821,924	5,376,297	(445,627)
Transfers (out).	(742,000)	(1,408,494)	(1,388,139)	20,355
Advances in	10,000	10,000	-	(10,000)
Total other financing sources (uses).	<u>4,868,462</u>	<u>4,423,430</u>	<u>3,989,709</u>	<u>(433,721)</u>
Net change in fund balance	<u>(1,784,401)</u>	<u>(7,160,562)</u>	<u>(5,473,528)</u>	<u>1,687,034</u>
Fund balance at beginning of year	6,704,288	6,704,288	6,704,288	-
Prior year encumbrances appropriated	526,759	526,759	526,759	-
Fund balance at end of year	<u>\$ 5,446,646</u>	<u>\$ 70,485</u>	<u>\$ 1,757,519</u>	<u>\$ 1,687,034</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Real estate and other taxes	\$ 8,835,176	\$ 8,835,176	\$ 7,909,613	\$ (925,563)
Charges for services.	-	400,000	436,037	36,037
Intergovernmental.	1,987,744	3,004,744	4,380,690	1,375,946
Rental income	30,000	30,000	40,800	10,800
Contributions and donations.	33,000	33,000	6,820	(26,180)
Total revenues	<u>10,885,920</u>	<u>12,302,920</u>	<u>12,773,960</u>	<u>471,040</u>
Expenditures:				
Current:				
Human services.	12,008,708	13,285,280	11,651,159	(1,634,121)
Capital outlay	712,405	1,118,095	1,004,826	(113,269)
Total expenditures	<u>12,721,113</u>	<u>14,403,375</u>	<u>12,655,985</u>	<u>(1,747,390)</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(1,835,193)</u>	<u>(2,100,455)</u>	<u>117,975</u>	<u>2,218,430</u>
Other financing sources:				
Transfers in	<u>3,375,515</u>	<u>24,005</u>	<u>-</u>	<u>(24,005)</u>
Net change in fund balance	1,540,322	(2,076,450)	117,975	2,194,425
Fund balance at beginning of year	13,816,905	13,816,905	13,816,905	-
Prior year encumbrances appropriated . . .	355,741	355,741	355,741	-
Fund balance at end of year	<u><u>\$ 15,712,968</u></u>	<u><u>\$ 12,096,196</u></u>	<u><u>\$ 14,290,621</u></u>	<u><u>\$ 2,194,425</u></u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

Calendar Year (1)	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.166773%	\$ 39,612,237	\$ 26,146,243	151.50%	79.01%
2023	0.164394%	43,718,825	24,168,793	180.89%	75.74%
2022	0.161323%	12,541,818	23,785,771	52.73%	92.62%
2021	0.158286%	20,448,950	24,853,271	82.28%	86.88%
2020	0.154633%	27,149,251	29,001,436	93.61%	82.17%
2019	0.154149%	37,951,354	28,257,021	134.31%	74.70%
2018	0.154478%	21,656,041	28,215,177	76.75%	84.66%
2017	0.159932%	32,591,627	27,624,725	117.98%	77.25%
2016	0.158775%	24,762,649	25,359,267	97.65%	81.08%
2015	0.159801%	17,161,380	26,494,008	64.77%	86.45%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 4,207,754	\$ (4,207,754)	\$ -	\$ 30,055,386	14.00%
2023	3,660,474	(3,660,474)	-	26,146,243	14.00%
2022	3,383,631	(3,383,631)	-	24,168,793	14.00%
2021	3,330,008	(3,330,008)	-	23,785,771	14.00%
2020	3,479,458	(3,479,458)	-	24,853,271	14.00%
2019	4,060,201	(4,060,201)	-	29,001,436	14.00%
2018	3,955,983	(3,955,983)	-	28,257,021	14.00%
2017	3,667,973	(3,667,973)	-	28,215,177	13.00%
2016	3,314,967	(3,314,967)	-	27,624,725	12.00%
2015	3,043,112	(3,043,112)	-	25,359,267	12.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

Calendar Year (1)	County's Proportion of the Net Pension Asset	County's Proportionate Share of the Net Pension Asset	County's Covered Payroll	County's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.113162%	\$ 315,576	\$ 467,800	67.46%	144.55%
2023	0.112637%	238,997	466,186	51.27%	137.14%
2022	0.118280%	416,426	470,157	88.57%	169.88%
2021	0.134470%	338,653	526,393	64.33%	157.67%
2020	0.145693%	269,860	345,007	78.22%	145.28%
2019	0.175882%	176,799	376,957	46.90%	126.64%
2018	0.190174%	231,342	372,600	62.09%	137.28%
2017	0.169338%	84,578	370,650	22.82%	116.55%
2016	0.162010%	70,986	241,400	29.41%	116.90%
2015	0.146769%	50,316	247,050	20.37%	114.83%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 59,135	\$ (59,135)	\$ -	\$ 492,792	12.00%
2023	56,136	(56,136)	-	467,800	12.00%
2022	65,266	(65,266)	-	466,186	14.00%
2021	65,822	(65,822)	-	470,157	14.00%
2020	73,695	(73,695)	-	526,393	14.00%
2019	48,301	(48,301)	-	345,007	14.00%
2018	52,774	(52,774)	-	376,957	14.00%
2017	48,438	(48,438)	-	372,600	13.00%
2016	44,478	(44,478)	-	370,650	12.00%
2015	28,968	(28,968)	-	241,400	12.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION ASSET AND
SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - MEMBER DIRECTED PLAN

LAST TEN YEARS

Calendar Year (1)	County's Proportion of the Net Pension Asset	County's Proportionate Share of the Net Pension Asset	County's Covered Payroll	County's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.067677%	\$ 6,849	\$ 448,840	1.53%	134.44%
2023	0.074532%	5,248	452,940	1.16%	126.74%
2022	0.084112%	13,646	460,070	2.97%	171.84%
2021	0.094889%	15,091	506,220	2.98%	188.21%
2020	0.089817%	3,016	327,420	0.92%	118.84%
2019	0.074463%	1,525	278,240	0.55%	113.42%
2018	0.065678%	2,048	223,470	0.92%	124.46%
2017	0.062311%	233	187,175	0.12%	103.40%
2016	0.056803%	195	209,017	0.09%	103.91%
2015	n/a	n/a	n/a	n/a	n/a

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 48,958	\$ (48,958)	\$ -	\$ 489,580	10.00%
2023	44,884	(44,884)	-	448,840	10.00%
2022	45,294	(45,294)	-	452,940	10.00%
2021	46,007	(46,007)	-	460,070	10.00%
2020	50,622	(50,622)	-	506,220	10.00%
2019	32,742	(32,742)	-	327,420	10.00%
2018	27,824	(27,824)	-	278,240	10.00%
2017	22,347	(22,347)	-	223,470	10.00%
2016	22,461	(22,461)	-	187,175	12.00%
2015	25,082	(25,082)	-	209,017	12.00%

(1) Amounts presented for each calendar year were determined as of the County's measurement date which is the prior year-end.
n/a - information not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND
SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN YEARS

Calendar Year (1)	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.001678%	\$ 322,811	\$ 354,907	90.96%	82.55%
2023	0.003315%	713,814	445,714	160.15%	80.02%
2022	0.002780%	618,070	245,921	251.33%	78.88%
2021	0.003131%	400,317	435,236	91.98%	87.78%
2020	0.003677%	889,776	568,257	156.58%	75.48%
2019	0.003749%	829,109	601,300	137.89%	77.40%
2018	0.003691%	811,660	535,757	151.50%	77.30%
2017	0.003482%	827,054	494,321	167.31%	75.30%
2016	0.003191%	1,068,281	377,293	283.14%	66.80%
2015	0.002561%	707,763	378,450	187.02%	72.10%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 23,534	\$ (23,534)	\$ -	\$ 168,100	14.00%
2023	49,687	(49,687)	-	354,907	14.00%
2022	62,400	(62,400)	-	445,714	14.00%
2021	34,429	(34,429)	-	245,921	14.00%
2020	60,933	(60,933)	-	435,236	14.00%
2019	79,556	(79,556)	-	568,257	14.00%
2018	84,182	(84,182)	-	601,300	14.00%
2017	75,006	(75,006)	-	535,757	14.00%
2016	69,205	(69,205)	-	494,321	14.00%
2015	52,821	(52,821)	-	377,293	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN YEARS

Calendar Year (1) (2)	County's Proportion of the Net OPEB Liability/(Asset)	County's Proportionate Share of the Net OPEB Liability/(Asset)	County's Covered Payroll	County's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.161218%	\$ (1,320,077)	\$ 27,062,883	4.88%	107.76%
2023	0.159259%	904,011	25,087,919	3.60%	94.79%
2022	0.156926%	(4,392,003)	24,715,998	17.77%	128.23%
2021	0.155054%	(2,410,047)	25,885,884	9.31%	115.57%
2020	0.151794%	18,624,042	29,673,863	62.76%	47.80%
2019	0.151622%	17,770,019	28,912,218	61.46%	46.33%
2018	0.151940%	14,744,011	28,811,247	51.17%	54.14%
2017	0.155722%	14,114,710	28,182,550	50.08%	54.05%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 29,438	\$ (29,438)	\$ -	\$ 31,037,758	0.09%
2023	27,310	(27,310)	-	27,062,883	0.10%
2022	18,118	(18,118)	-	25,087,919	0.07%
2021	18,403	(18,403)	-	24,715,998	0.07%
2020	20,249	(20,249)	-	25,885,884	0.08%
2019	13,096	(13,096)	-	29,673,863	0.04%
2018	11,130	(11,130)	-	28,912,218	0.04%
2017	324,762	(324,762)	-	28,811,247	1.13%
2016	625,287	(625,287)	-	28,182,550	2.22%
2015	504,994	(504,994)	-	25,809,684	1.96%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/(ASSET) AND
SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST EIGHT AND TEN YEARS

Calendar Year (1) (2)	County's Proportion of the Net OPEB Liability/(Asset)	County's Proportionate Share of the Net OPEB Liability/(Asset)	County's Covered Payroll	County's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.001678%	\$ (31,822)	\$ 354,907	8.97%	158.01%
2023	0.003315%	(64,466)	445,714	14.46%	168.52%
2022	0.002780%	(71,992)	245,921	29.27%	230.73%
2021	0.003131%	(66,013)	435,236	15.17%	174.73%
2020	0.003677%	(64,629)	568,257	11.37%	182.13%
2019	0.003749%	(62,095)	601,300	10.33%	174.70%
2018	0.003691%	(59,000)	535,757	11.01%	176.00%
2017	0.003482%	135,838	494,321	27.48%	47.10%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ -	\$ -	\$ -	\$ 168,100	0.00%
2023	-	-	-	354,907	0.00%
2022	-	-	-	445,714	0.00%
2021	-	-	-	245,921	0.00%
2020	-	-	-	435,236	0.00%
2019	-	-	-	568,257	0.00%
2018	-	-	-	601,300	0.00%
2017	-	-	-	535,757	0.00%
2016	-	-	-	494,321	0.00%
2015	-	-	-	377,293	0.00%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SANDUSKY COUNTY

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

NOTE 1 - BUDGETARY PROCESS

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

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

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

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

Net Change in Fund Balance

	General	County Board of DD
Budget basis	\$ (5,473,528)	\$ 117,975
Net adjustment for revenue accruals	1,302,544	512,932
Net adjustment for expenditure accruals	(134,358)	115,253
Net adjustment for other sources/uses	281,974	-
Funds budgeted elsewhere	334,415	-
Adjustments for encumbrances	<u>424,957</u>	<u>777,629</u>
GAAP Basis	<u>\$ (3,263,996)</u>	<u>\$ 1,523,789</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 accumulated sick leave fund, sales tax general 1979 fund, budget reserve fund, unclaimed monies fund, title administration fund, property tax foreclosure rotary fund, annexations fund, Sandusky County group medical benefit plan fund, recorder equipment fund, sheriff donations fund, sheriff K9 unit donations fund, County hotel lodging tax fund and the cash in segregated accounts fund to account for monies held in cash in segregated accounts with the Prosecutor, Sheriff and Engineer's departments.

SANDUSKY COUNTY

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

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

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

Change in assumptions:

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- For 2017, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for 2018.
- There were no changes in benefit terms from amounts previously reported for 2019.
- There were no changes in benefit terms from amounts previously reported for 2020.
- There were no changes in benefit terms from amounts previously reported for 2021.

SANDUSKY COUNTY

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

- There were no changes in benefit terms from amounts previously reported for 2022.
- There were no changes in benefit terms from amounts previously reported for 2023.
- There were no changes in benefit terms from amounts previously reported for 2024.

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2016.
- For 2017, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2020.
- For 2021, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For 2022, the following changes of assumption affected the total pension liability since the prior measurement date: the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2024.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

SANDUSKY COUNTY

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

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

Change in assumptions:

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

- For 2017, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For 2018, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For 2019, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For 2020, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

SANDUSKY COUNTY

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

- For 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for 2022.
- There were no changes in benefit terms from the amounts previously reported for 2023.
- There were no changes in benefit terms from the amounts previously reported for 2024.

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2016.
- For 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For 2018, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For 2019, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For 2021, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

SANDUSKY COUNTY

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

- For 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from -68.78% initial - 3.94% ultimate to -10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to -11.95% initial - 4.14% ultimate; Medicare from -5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.
- For 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial – 4.14% ultimate to 7.50% initial – 3.94% ultimate; medical Medicare from -10.94% initial – 4.14% ultimate to -112.22% initial – 3.94% ultimate; prescription drug Pre-Medicare from -11.95% initial – 4.14% ultimate to 8.00% initial – 3.94% ultimate; Medicare from 1.33% initial – 4.14% ultimate to -15.14% initial – 3.94% ultimate.

SANDUSKY COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Job and Family Services</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2425-11-6195	\$ -	\$ 528,762
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster:				
National School Lunch Program				
Cash Assistance - School of Hope	10.555	FY 2024	-	4,145
Total U.S. Department of Agriculture			-	532,907
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Ohio Development Services Agency</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				
Community Development Program	14.228	B-F-23-1CO-1	-	69,350
Community Housing Impact and Preservation Program	14.228	B-C-21-1CO-1	-	177,050
Community Housing Impact and Preservation Program	14.228	B-C-23-1CO-1	-	174,933
Total AL #14.228			-	421,333
Home Investment Partnerships Program	14.239	B-C-21-1CO-2	-	411,086
Home Investment Partnerships Program	14.239	B-C-23-1CO-2	-	143,461
Total AL #14.239			-	554,547
Total U.S. Department of Housing and Urban Development			-	975,880
UNITED STATES DEPARTMENT OF JUSTICE				
<i>Passed Through the Ohio Attorney General</i>				
Crime Victim Assistance				
	16.575	2024-VOCA-135504847	-	20,291
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2023-JG-A01-6087	-	40,558
Total U.S. Department of Justice			-	60,849
UNITED STATES DEPARTMENT OF LABOR				
<i>Passed Through the Montgomery County Workforce Investment Act (WIA) Area 7</i>				
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	17.207	2024/25-7172-1	-	18,680
Unemployment Insurance	17.225	2024/25-7172-1	-	65,581
Trade Adjustment Assistance	17.245	2024/25-7172-1	-	3,014
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	2024/25-7172-1	-	231,140
WIOA Cluster:				
WIOA Adult Programs	17.258	2024/25-7172-1	-	150,386
WIOA Youth Activities	17.259	2024/25-7172-1	-	170,926
WIOA Dislocated Worker Formula Grants	17.278	2024/25-7172-1	-	72,654
Total WIOA Cluster			-	393,966
Total U.S. Department of Labor			-	712,381
UNITED STATES DEPARTMENT OF TRANSPORTATION				
<i>Passed Through County Engineers Association of Ohio</i>				
Highway Planning and Construction				
	20.205	119915	-	12,285
Highway Planning and Construction	20.205	120871	-	13,096
Total AL # 20.205			-	25,381
<i>Passed Through Ohio Department of Public Safety</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	STEP-2024-00078	-	11,560
State and Community Highway Safety	20.600	STEP-2025-00031	-	4,576
Total Highway Safety Cluster			-	16,136
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2024-00078	-	12,195
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2025-00031	-	4,261
Total AL # 20.608			-	16,456
Total U.S. Department of Transportation			-	57,973

-- (Continued)

The accompanying notes are an integral part of this schedule.

SANDUSKY COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF TREASURY				
<i>Passed through the Ohio Office of Budget and Management</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP0130	-	168,738
<i>Passed Through Ohio Department of Job and Family Services</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	G-2425-11-6195	-	43,241
<i>Passed Through Ohio Department of Emergency Management</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	AFRR-462-HIR	-	542,909
Total U.S. Department of Treasury			-	754,888
UNITED STATES DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education</i>				
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	2024	-	23,340
Special Education Preschool Grants	84.173	2024	-	5,501
Total Special Education Cluster			-	28,841
<i>Passed Through Ohio Department of Developmental Disabilities</i>				
Special Education-Grants for Infants and Families	84.181	H181A220024	-	70,582
Special Education-Grants for Infants and Families	84.181	H181A230024	-	131,155
Total AL # 84.181			-	201,737
Total U.S. Department of Education			-	230,578
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Job and Family Services</i>				
Title IV-E Prevention Program	93.472	G-2425-11-6195	-	11,710
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2425-11-6195	-	24,065
Temporary Assistance for Needy Families	93.558	G-2425-11-6195	77,743	1,264,921
Child Support Services	93.563	G-2425-11-6195	-	786,971
CCDF Cluster:				
Child Care and Development Block Grant	93.575	G-2425-11-6195	-	150,340
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2425-11-6195	-	15,000
Foster Care Title IV-E	93.658	G-2425-11-6195	-	751,597
Adoption Assistance	93.659	G-2425-11-6195	-	627,551
Social Services Block Grant	93.667	G-2425-11-6195	-	643,567
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2425-11-6195	-	18,962
COVID-19 Elder Abuse Prevention Interventions Program	93.747	G-2425-11-6195	-	27,978
Children's Health Insurance Program	93.767	G-2425-11-6195	-	13,116
Medicaid Cluster:				
Medical Assistance Program	93.778	G-2425-11-6195	-	597,952
<i>Passed Through Ohio Department of Developmental Disabilities</i>				
Social Services Block Grant	93.667	2401OHSOSR	-	34,731
Total AL # 93.667			-	678,298
<i>Passed Through Mental Health and Recovery Services Board of Seneca, Ottawa, Sandusky and Wyandot Counties</i>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2400052	-	130,605
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2500073	-	137,108
Total AL # 93.959			-	267,713
Total U.S. Department of Health and Human Services			77,743	5,236,174

-- (Continued)

The accompanying notes are an integral part of this schedule.

SANDUSKY COUNTY

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Department of Emergency Management</i>				
Emergency Management Performance Grants	97.042	EMC-2022-EP-00006	-	12,286
Emergency Management Performance Grants	97.042	EMC-2023-EP-00007	-	58,714
Total AL # 97.042			-	71,000
Homeland Security Grant Program	97.067	EMW-2021-SS-00004	-	14,000
Homeland Security Grant Program	97.067	EMW-2022-SS-00058	-	4,445
Total AL # 97.067			-	18,445
Total U.S. Department of Homeland Security			-	89,445
Total Expenditures of Federal Awards			\$ 77,743	\$ 8,651,075

The accompanying notes are an integral part of this schedule.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The County has elected not to use the 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 Job and Family 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, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E – CHILD NUTRITION CLUSTER

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

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

The current cash balance on the County's local revolving business loan, down payment or rehabilitation assistance, and owner occupied rehabilitation assistance local program income accounts as of December 31, 2024 is \$1,669 and \$41,568, respectively.

NOTE G – MATCHING REQUIREMENTS

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

NOTE H – TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2024, the County made allowable transfers of \$419,306 from the Temporary Assistance for Needy Families (TANF) (AL #93.558) program to the Social Services Block Grant (SSBG) (AL #93.667) program. The Schedule shows the County spent approximately \$1,264,921 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2024 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$ 1,684,227
Transfer to Social Services Block Grant	<u>(419,306)</u>
Total Temporary Assistance for Needy Families	<u>\$ 1,264,921</u>

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Columbus, Ohio 43215
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Sandusky County
100 North Park Avenue
Fremont, Ohio 43420-2472

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sandusky 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 19, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



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

September 19, 2025



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

Sandusky County
100 North Park Avenue
Fremont, Ohio 43420-2472

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Sandusky County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

KEITH FABER
Ohio Auditor of State

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

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

September 19, 2025

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Child Support Services – AL #93.563 Foster Care Title IV-E – AL #93.658 Medicaid Cluster 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?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



SANDUSKY 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 9/25/2025

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