



OHIO AUDITOR OF STATE
KEITH FABER



HARDIN COUNTY
DECEMBER 31, 2024

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**HARDIN COUNTY
DECEMBER 31, 2024**

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OHIO AUDITOR OF STATE

KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Hardin County
One Courthouse Square, Suite 250
Kenton, Ohio 43326

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the cash-basis 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 Hardin 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.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Qualified
Governmental Funds:	
General Fund	Unmodified
Job and Family Services	Unmodified
Pike Repair	Unmodified
Hardin County Board of Developmental Disabilities (HCBDD)	Unmodified
Enterprise Funds:	
Hardin Hills	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on the Aggregate Discretely Presented Component Units

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash-basis financial position of the aggregate discretely presented component units of the County, as of December 31, 2024, and the changes in cash-basis financial position thereof for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Unmodified Opinions on Governmental Activities; Business-Type Activities; Governmental Funds – General, Job and Family Services, Pike Repair and Hardin County Board of Developmental Disabilities (HCBDD); Enterprise Fund – Hardin Hills; and Aggregate Remaining Fund Information

In our opinion, the accompanying cash-basis financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hardin County, Ohio as of December 31, 2024, and the respective changes in cash-basis financial position thereof for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Qualified and Unmodified 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.

Matter Giving Rise to Qualified Opinion on the Aggregate Discretely Presented Component Units

The financial statements of the Hardin County Housing Development, Inc. were not audited, and we were not engaged to audit the Hardin County Housing Development, Inc.'s financial statements as part of our audit of the County's cash-basis financial statements. The Hardin County Housing Development, Inc.'s financial activities are included in the County's basic cash-basis financial statements as a discretely presented component unit and represent 33 percent and 47 percent of assets/net position and receipts, respectively, of the County's aggregate discretely presented component units.

Emphasis of Matter – Accounting Basis

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary information

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

The Schedule of 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 and the Schedules of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Budget and Actual – Budgetary Basis for the General, Job and Family Services, Pike Repair and Hardin County Board of Developmental Disabilities (HCBDD) funds are presented for purposes of additional analysis and are not required parts of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied to 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, these schedules are 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 January 9, 2026, 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

January 9, 2026

HARDIN COUNTY, OHIO

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2024

	Primary Government			Component Unit Totals
	Governmental Activities	Business-type Activities	Total	
Assets:				
Equity in pooled cash and cash equivalents	\$ 35,129,892	\$ 773,126	\$ 35,903,018	\$ -
Cash with fiscal agent	1,494	-	1,494	-
Cash and cash equivalents in segregated accounts	-	-	-	404,274
Total assets	35,131,386	773,126	35,904,512	404,274
Net position:				
Restricted for:				
Capital projects	29,296	-	29,296	-
Other purposes	19,526,077	-	19,526,077	-
Unrestricted	15,576,013	773,126	16,349,139	404,274
Total net position	\$ 35,131,386	\$ 773,126	\$ 35,904,512	\$ 404,274

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARDIN COUNTY, OHIO

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

	Program Cash Receipts			
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government:				
Legislative and executive	\$ 6,558,798	\$ 952,457	\$ 79,192	\$ -
Judicial	3,837,764	857,737	1,159,025	-
Public safety	6,107,570	778,515	373,273	-
Public works	9,175,927	2,005,444	5,874,045	-
Health	171,969	123,863	-	-
Human services	12,417,822	1,025,010	8,279,376	-
Conservation and recreation	151,145	6,160	-	-
Economic development and assistance	1,110,101	108,810	-	965,870
Debt service:				
Principal retirement	70,887	-	-	-
Total governmental activities	<u>39,601,983</u>	<u>5,857,996</u>	<u>15,764,911</u>	<u>965,870</u>
Business-type activities:				
Hardin Hills	3,529,960	2,256,383	-	-
Waste transfer station	1,075,138	878,401	-	-
Sewers	45,824	60,077	-	-
Total business-type activities	<u>4,650,922</u>	<u>3,194,861</u>	<u>-</u>	<u>-</u>
Totals primary government	<u>\$ 44,252,905</u>	<u>\$ 9,052,857</u>	<u>\$ 15,764,911</u>	<u>\$ 965,870</u>
Component units:				
Airport	\$ 281,022	\$ 72,510	\$ 248,426	\$ -
Hardin Housing	227,456	78,850	35,000	-
Total component units	<u>\$ 508,478</u>	<u>\$ 151,360</u>	<u>\$ 283,426</u>	<u>\$ -</u>
General cash receipts and transfers:				
Property taxes levied for:				
General purposes				
911 - public safety				
Hardin County Board of Developmental Disabilities				
Sheriff Levy				
Sales taxes				
Payment in lieu of taxes				
Grants and entitlements not restricted				
to specific purposes				
Investment earnings				
Miscellaneous				
Total general cash receipts				
Transfers				
Total general cash receipts and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Primary Government					
Governmental Activities	Business-type Activities	Total	Component Units		
\$ (5,527,149)	\$ -	\$ (5,527,149)	\$ -		
(1,821,002)	-	(1,821,002)			
(4,955,782)	-	(4,955,782)			
(1,296,438)	-	(1,296,438)			
(48,106)	-	(48,106)			
(3,113,436)	-	(3,113,436)			
(144,985)	-	(144,985)			
(35,421)	-	(35,421)			
<u>(70,887)</u>	<u>-</u>	<u>(70,887)</u>	<u>-</u>		
<u>(17,013,206)</u>	<u>-</u>	<u>(17,013,206)</u>	<u>-</u>		
 - (1,273,577)	 - (196,737)	 - 14,253	 - (1,456,061)	 - (1,456,061)	 - (18,469,267)
<u>(17,013,206)</u>	<u>(1,456,061)</u>	<u>(18,469,267)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 - - -	 - - -	 - - -	 - - -	 - - -	 39,914
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,606)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,692)</u>
 2,196,533	 333,751	 2,406,416	 653,477	 6,241,154	 1,233,070
<u>2,196,533</u>	<u>333,751</u>	<u>2,406,416</u>	<u>653,477</u>	<u>6,241,154</u>	<u>1,233,070</u>
 1,705,591	 1,714,471	 619,966	 7,140	 627,106	 214,387
<u>1,705,591</u>	<u>1,714,471</u>	<u>619,966</u>	<u>7,140</u>	<u>627,106</u>	<u>214,387</u>
<u>17,104,429</u>	<u>7,140</u>	<u>17,111,569</u>	<u>-</u>	<u>222,546</u>	<u>-</u>
<u>(317,000)</u>	<u>317,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>16,787,429</u>	<u>324,140</u>	<u>17,111,569</u>	<u>-</u>	<u>222,546</u>	<u>-</u>
 (225,777)	 (1,131,921)	 (1,357,698)	 148,854	 - - -	 - - -
<u>35,357,163</u>	<u>1,905,047</u>	<u>37,262,210</u>	<u>255,420</u>	<u>-</u>	<u>-</u>
 \$ 35,131,386	 \$ 773,126	 \$ 35,904,512	 \$ 404,274	 - - -	 - - -

HARDIN COUNTY, OHIO

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

	General	Job and Family Services	Pike Repair	HCBDD
Assets:				
Equity in pooled cash and cash equivalents	\$ 14,943,449	\$ 554,863	\$ 2,540,368	\$ 3,777,475
Cash with fiscal agent	-	-	-	1,494
Total assets	<u>\$ 14,943,449</u>	<u>\$ 554,863</u>	<u>\$ 2,540,368</u>	<u>\$ 3,778,969</u>
Fund balances:				
Nonspendable	\$ 49,379	\$ -	\$ -	\$ -
Restricted	-	554,863	2,540,368	3,778,969
Committed	781,665	-	-	-
Assigned	1,984,828	-	-	-
Unassigned	12,127,577	-	-	-
Total fund balances	<u>\$ 14,943,449</u>	<u>\$ 554,863</u>	<u>\$ 2,540,368</u>	<u>\$ 3,778,969</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 13,313,737	\$ 35,129,892
-	1,494
<u>\$ 13,313,737</u>	<u>\$ 35,131,386</u>

\$ -	\$ 49,379
12,681,173	19,555,373
632,564	1,414,229
-	1,984,828
-	12,127,577
<u>\$ 13,313,737</u>	<u>\$ 35,131,386</u>

HARDIN COUNTY, OHIO

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

	General	Job and Family Services	Pike Repair	(Formerly Major) American Rescue Plan
Cash Receipts:				
Sales taxes	\$ 6,241,154	\$ -	\$ -	-
Real and other taxes	2,196,533	-	-	-
Charges for services	1,707,569	552,634	841,930	-
Licenses and permits	2,055	-	-	-
Fines and forfeitures	18,198	-	25,291	-
Intergovernmental	1,705,591	3,713,070	5,874,045	-
Special assessments	-	-	-	-
Investment income	1,586,498	-	127,748	-
Contributions and donations	-	-	-	-
Payment in lieu of taxes	813,699	-	-	-
Miscellaneous	151,934	16,881	132,594	-
Total cash receipts	14,423,231	4,282,585	7,001,608	-
Cash Disbursements:				
Current:				
General government:				
Legislative and executive	5,381,205	-	-	-
Judicial	2,353,715	-	-	-
Public safety	4,234,904	-	-	-
Public works	38,299	-	7,220,169	-
Health	-	-	-	-
Human services	327,132	3,890,541	-	-
Conservation and recreation	48,474	-	-	-
Economic development and assistance	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Total cash disbursements	12,383,729	3,890,541	7,220,169	-
Cash receipts over (under) cash disbursements	2,039,502	392,044	(218,561)	-
Other financing sources (uses):				
Advances in	5,453	-	-	-
Advances out	(5,000)	-	-	-
Transfers in	-	-	163,519	-
Transfers out	(383,582)	-	(70,887)	-
Total other financing sources (uses)	(383,129)	-	92,632	-
Net change in fund balances - cash basis	1,656,373	392,044	(125,929)	-
Fund balances - cash basis, as previously reported	13,287,076	162,819	2,666,297	3,796,995
Adjustment - changes from major fund to nonmajor fund	-	-	-	(3,796,995)
Fund balances - cash basis, January 1, as adjusted	13,287,076	162,819	2,666,297	-
Fund balances - cash basis, December 31	\$ 14,943,449	\$ 554,863	\$ 2,540,368	-

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HCBDD	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 6,241,154
2,406,416	987,228	5,590,177
-	1,179,852	4,281,985
-	179,647	181,702
-	483,448	526,937
2,619,957	4,522,259	18,434,922
-	867,372	867,372
-	225	1,714,471
1,450	-	1,450
319,249	100,122	1,233,070
17,217	301,340	619,966
5,364,289	8,621,493	39,693,206

-	1,177,593	6,558,798
-	1,484,049	3,837,764
-	1,872,666	6,107,570
-	1,917,459	9,175,927
-	171,969	171,969
5,264,889	2,935,260	12,417,822
-	102,671	151,145
-	1,110,101	1,110,101
-	70,887	70,887
5,264,889	10,842,655	39,601,983

99,400	(2,221,162)	91,223
---------------	--------------------	---------------

-	38,000	43,453
-	(38,453)	(43,453)
-	304,433	467,952
-	(330,483)	(784,952)
-	(26,503)	(317,000)

99,400 (2,247,665) (225,777)

3,679,569 11,764,407 35,357,163

-	<u>3,796,995</u>	-
<u>3,679,569</u>	<u>15,561,402</u>	<u>35,357,163</u>
<u>\$ 3,778,969</u>	<u>\$ 13,313,737</u>	<u>\$ 35,131,386</u>

HARDIN COUNTY, OHIO

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

	Business-type Activities - Enterprise Funds		
	Hardin Hills	Nonmajor Enterprise Funds	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 590,071	\$ 183,055	\$ 773,126
Net position:			
Unrestricted	\$ 590,071	\$ 183,055	\$ 773,126

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARDIN COUNTY, OHIO

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

Business-type Activities - Enterprise Funds			
	Hardin Hills	Nonmajor Enterprise Funds	Total
Operating cash receipts:			
Charges for services	\$ 2,256,383	\$ 938,478	\$ 3,194,861
Other operating revenues	7,140	-	7,140
Total operating cash receipts	<u>2,263,523</u>	<u>938,478</u>	<u>3,202,001</u>
Operating cash disbursements:			
Personal services	2,247,681	245,351	2,493,032
Fringe benefits	617,718	101,586	719,304
Contract services	92,154	223,068	315,222
Materials and supplies	109,348	65,088	174,436
Other operating expenses	462,157	485,869	948,026
Capital outlay	902	-	902
Total operating cash disbursements	<u>3,529,960</u>	<u>1,120,962</u>	<u>4,650,922</u>
Net receipts under disbursements before transfers	<u>(1,266,437)</u>	<u>(182,484)</u>	<u>(1,448,921)</u>
Transfer in	<u>-</u>	<u>317,000</u>	<u>317,000</u>
Change in net position	<u>(1,266,437)</u>	<u>134,516</u>	<u>(1,131,921)</u>
Net position at beginning of year	<u>1,856,508</u>	<u>48,539</u>	<u>1,905,047</u>
Net position at end of year	<u><u>\$ 590,071</u></u>	<u><u>\$ 183,055</u></u>	<u><u>\$ 773,126</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARDIN COUNTY, OHIO

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

	Private-Purpose Trust	Custodial
Assets:		
Equity in pooled cash and cash equivalents	\$ 351,198	\$ 3,670,520
Cash and cash equivalents in segregated accounts	-	367,050
Total assets	<u>351,198</u>	<u>4,037,570</u>
Net position:		
Restricted:		
Expendable	164,917	-
Nonexpendable	186,281	-
Other governments, organizations and individuals	-	4,037,570
Total net position	<u>\$ 351,198</u>	<u>\$ 4,037,570</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARDIN COUNTY, OHIO

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

	Private-Purpose Trust	Custodial
Cash Additions:		
Intergovernmental	\$ -	\$ 4,312,220
Amounts received as fiscal agent	- -	1,843,656
Amounts held for employees	- -	7,156
Fees	- -	77,915
Fines and forfeitures for distribution	- -	2,897,170
Property and other local taxes collected for distribution	- -	31,013,433
Earnings on investments	8,846 -	-
Gifts and donations	13,053 -	-
Charges for service	- -	1,210,617
Other amounts collected for distribution	- -	2,727,602
Total cash additions	<u>21,899</u>	<u>44,089,769</u>
Cash Deductions:		
Distributions to other governments, organizations and individuals	- -	41,807,031
Distributions as fiscal agent	- -	1,953,496
Distributions on behalf of employees	- -	70,785
Payments in accordance with trust agreements	12,973 -	-
Total cash deductions	<u>12,973</u>	<u>43,831,312</u>
Net change in fiduciary net position	8,926	258,457
Net position beginning of year	<u>342,272</u>	<u>3,779,113</u>
Net position end of year	<u><u>\$ 351,198</u></u>	<u><u>\$ 4,037,570</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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HARDIN COUNTY, OHIO

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

NOTE 1 - REPORTING ENTITY

Hardin County (the "County") is a body politic and corporate established in 1883 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County is governed by a Board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a Domestic Relations Court Judge.

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

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

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For the County, this includes the Hardin County Board of Developmental Disabilities (DD), Hardin Hills (County Home), Job and Family Services, Children Services Board, and departments and activities that are directly operated by the elected County officials.

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 reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the basic financial statements are not misleading. The primary government includes all funds, agencies, boards, commissions, and component units for which the County and the County Commissioners are "accountable".

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

DISCRETELY PRESENTED COMPONENT UNITS

The component unit column on the financial statements identifies the financial data of the County's component units, Hardin County Housing Development, Inc. and Hardin County Airport Authority. They are reported separately to emphasize that they are legally separate from the County. Financial information about these component units is presented in Note 20 to the basic financial statements.

Hardin County Housing Development, Inc.

Hardin County Housing Development, Inc. (HCHD) is a legally separate, nonprofit corporation, served by a self-appointing board of trustees. The HCHD, under a contractual agreement with its affiliate the Hardin County Board Developmental Disabilities (HCBDD), provides capital facilities and hygiene services for adults with developmental disabilities in the County.

HARDIN COUNTY, OHIO

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

NOTE 1 – REPORTING ENTITY - (Continued)

The Hardin County Board of DD provides the staff salaries, transportation, equipment, and other funds as necessary for the operation. Based on the significant services and resources provided by the County to the HCHD and HCHD's sole purpose of aiding developmentally disabled adults of Hardin County, HCHD is a component unit of the County. Complete financial statements can be obtained from Joanne Longbrake, Finance Manager, at the administrative offices at 705 Ida Street, Kenton, Ohio.

Hardin County Airport Authority

The Hardin County Airport Authority provides air transportation and commercial travel for the general population and surrounding businesses of Hardin County. The Airport Board consists of seven members who are appointed by the Hardin County Commissioners. The airport land is owned by Hardin County. Based on the appointments and control and the significant services it provides, the Hardin County Airport Authority is a component unit of the County.

Complete financial statements can be obtained from Andrea Good, 20783 County Road 100, Kenton, Ohio 43326.

JOINTLY GOVERNED ORGANIZATIONS

The County participates in several jointly governed organizations. These organizations are presented in Note 13 to the basic financial statements. These organizations are:

West Central Ohio Network
Hardin County Regional Planning Commission
Workforce Innovations and Opportunity Act Consortium of Auglaize, Hardin, Mercer, and Van Wert Counties
Hardin County Family and Children First Council
North Central Ohio Solid Waste District
Western Ohio Regional Treatment and Habilitation (WORTH) Center

JOINT VENTURES, PUBLIC ENTITY RISK POOLS AND RELATED ORGANIZATIONS

The County participates in several joint ventures, public risk pools and related organizations. These organizations are presented in Note 14, Note 15, and Note 16 to the basic financial statements.

Joint Ventures:

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are:

Mental Health and Recovery Services Board of Allen, Auglaize, and Hardin Counties
Multi County Correctional Center

Risk Pools:

County Risk Sharing Authority, Inc. (CORS)A
County Commissioner Association of Ohio Workers' Compensation Group Rating Plan
County Employee Benefit Consortium of Ohio, Inc.

Related Organizations:

Mary Lou Johnson-Hardin County District Library
Hardin County Veterans Memorial Park District

HARDIN COUNTY, OHIO

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

NOTE 1 – REPORTING ENTITY - (Continued)

FISCAL AGENT RELATIONSHIPS

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, serve as fiscal officer and custodian of funds for various agencies, boards, and commissions. As fiscal officer, the Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the custodian of all public funds, the Treasurer invests 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 and custodian, but does not exercise primary oversight responsibility; accordingly, the following districts and agencies are presented as custodial funds within the County's financial statements:

Kenton-Hardin County General Health District
Hardin Soil and Water Conservation District
Hardin County Family and Children First Council

OTHER DISTRICTS

The Hardin County Regional Planning Commission, Council on Aging and Hardin County Veterans Memorial Park District are also not a part of the County reporting entity although they are presented as custodial funds within the County's financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these basic financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In cases where these cash basis basic financial statements contain items that are the same as, or similar to, those items in the basic financial statements prepared in conformity with GAAP, similar informative disclosures are provided. The most significant of the County's accounting policies are described below.

A. Basis of Presentation

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

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

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

HARDIN COUNTY, OHIO

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

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

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

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

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

B. Fund Accounting

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

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

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.

Job and Family Services Fund - This fund accounts for various federal and state grants that are used to provide public assistance to general relief recipients, pay their providers of medical assistance, and for certain public social services.

Pike Repair Fund - This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges.

Hardin County Board of Developmental Disabilities (HCBDD) Fund - This fund accounts for various federal and state grants and a property tax levy used to provide assistance and training to developmentally disabled individuals.

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.

HARDIN COUNTY, OHIO

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

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

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

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

Proprietary Funds - The County classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service. The County did not have an internal service fund.

Enterprise Funds - Enterprise funds may be used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered through user charges. The following is the County's major Enterprise Fund:

Hardin Hills - This fund accounts for the daily operations of the County nursing home. Receipts are generated from resident fees and charges for services and are used to pay other agencies for services, to fund the daily costs of operations, and to provide services to the residents such as laundry, transportation, personal care items, and incidental medical supplies.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County has no pension trust funds or investment trust funds. The County's private-purpose trust funds are amounts held in trust for individuals served by Hardin Hills and Veteran's Services. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County's custodial funds accounts for amounts collected and distributed on behalf of another government or organization.

C. Basis of Accounting

The County's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in this note.

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

D. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate.

HARDIN COUNTY, OHIO

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

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

The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, department, and object level for all funds.

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

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

E. Cash and Investments

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

Cash and cash equivalents that are held separately within departments of the County are recorded as "cash and cash equivalents in segregated accounts".

The Component units are recorded as "cash and cash equivalents in segregated accounts".

Cash held by the West Central Ohio Network on behalf of the County is recorded as "cash with fiscal agent".

During 2024, investments were limited to STAR Ohio (the State Treasury Asset Reserve of Ohio), U.S. Treasury Notes and agency bonds. The County records all its investments 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 an NAV per share that approximates fair value.

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

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 \$1,586,498, which includes \$984,933 assigned from other County funds. For 2024, total interest receipts amounted to \$1,723,317 in which \$1,586,498 was recorded in the general fund; \$127,748 was recorded in pike repair fund; \$225 was recorded in the cyber security fund (a nonmajor governmental fund), and \$8,846 was recorded in the private purpose trust funds.

For presentation on the financial statements, funds included within the Treasurer's cash management pool and investments with original maturities of three months or less are considered to be cash and cash equivalents.

HARDIN COUNTY, OHIO

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

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

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

F. Inventories of Materials and Supplies

On the cash basis of accounting, inventories of materials and supplies are recorded as disbursements when purchased. These items are not reported as assets in the basic financial statements.

G. Capital Assets and Depreciation

Capital assets acquired or constructed for the County are recorded as disbursements at the time of acquisition. However, under the cash basis of accounting, capital assets and the related depreciation are not reported on the financial statements.

H. Prepaid Items

On the cash basis of accounting, payments made to vendors for services that will benefit periods beyond December 31, 2024 are recorded as disbursements when paid. These items are not reported as assets in the basic financial statements.

I. Interfund Receivables/Payables

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

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

J. Accumulated Leave

For 2024, GASB Statement No. 101, "*Compensated Absences*", was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The County does not offer noncash settlements.

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

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

K. Employer Contributions to Cost-Sharing Pension Plans

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

HARDIN COUNTY, OHIO

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

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

L. Pensions/Other Postemployment Benefits (OPEB)

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

M. Healthcare

The Comprehensive Omnibus Budget Reconciliation Act (COBRA) of 1986 required the County to offer and provide terminated or retired employees continued participation in the County's employee health care benefits program, provided that the employees pay the rate established by the plan administrator.

N. Intergovernmental Revenues

Unrestricted intergovernmental revenues received based on entitlement are recorded as revenues when the entitlement is received. Federal and State reimbursement type grants for the acquisition or construction of capital assets in proprietary funds are recorded as revenue when the grant is received.

O. Long-Term Obligations

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

P. Subscription Based Information Technology Arrangements

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

Q. Fund Balance

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

Nonspendable - The nonspendable fund balance 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.

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.

HARDIN COUNTY, OHIO

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

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

Committed - The committed 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, which includes giving the County Auditor the authority to constrain monies for intended purposes. The Board of Commissioners has, by resolution, authorized the County Auditor to assign fund balances for encumbrances outstanding at year-end.

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.

R. Net Cash Position

Net cash position consists of cash receipts and balances reduced by cash disbursements for the current year. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Restricted for other purposes is comprised of net position restricted for maintenance and improvement of roads, for public assistance, disabled individuals, health services, and grants. The County did not have net position restricted by enabling legislation.

The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. In the fiduciary funds, nonexpendable net position represents the principal of trust funds that cannot be spent.

S. Internal Activity

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

Exchange transactions between funds are reported as cash receipts in the seller fund and cash disbursements in the purchaser funds. Flows of cash from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financial sources/uses in governmental funds and after non-operating cash receipts/disbursements in the proprietary funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements.

HARDIN COUNTY, OHIO

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

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

T. Budget Stabilization

The County has established a Budget Stabilization Fund in accordance with a Resolution passed by the Board of County Commissioners. Additions to the fund can only be made by a Resolution of the Board. Disbursements from the fund can be made to offset future budget deficits or other disbursements approved by the Board. At December 31, 2024 the balance in the Budget Stabilization Fund was \$1,600,000 which is included in the unassigned classification of fund cash balance in the General Fund and unrestricted net position of governmental activities.

U. Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2024, distributions of \$181,755 are reflected as fines and forfeitures receipts in the Local Opioid special revenue fund (a nonmajor governmental fund) in the accompanying financial statements.

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 reported 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. These changes were incorporated into the County's 2024 financial statements.

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. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of the County.

HARDIN COUNTY, OHIO

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Change within the Financial Reporting Entity

For 2024, the County's American Rescue Plan fund presentation was adjusted from major to nonmajor due to no longer meeting the qualitative threshold for a major fund. This change is separately displayed in the financial statements.

C. Compliance

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

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 could be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States, or any book entry, zero coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions of the State of Ohio, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts in eligible institutions pursuant to ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in division (1) or (2) of this section; commercial paper as described in ORS section 135.143; and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

HARDIN COUNTY, OHIO

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities, and the eligible institution agrees to simultaneously exchange either securities or cash, or both cash and securities, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:
 - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
 - b. Banker's acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

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

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

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

A. Cash on Hand

At year-end, the County had \$800 in un-deposited cash on hand which is included as part of "equity in pooled cash and cash equivalents".

HARDIN COUNTY, OHIO

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Cash in Segregated Accounts

At December 31, 2024, the County deposited \$367,050 in accounts separate from the County's internal investment pool.

C. Cash with Fiscal Agent

At December 31, 2024, the County had \$1,494 in cash held with fiscal agents held by West Central Ohio Network.

D. Investments

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

Investment type	Amount	Investment Maturities				
		6 months or less	7 - 12 months	13 - 18 months	19 - 24 months	More than 24 months
U.S. Treasury Note	\$ 4,922,343	\$ 994,579	\$ -	\$ 979,592	\$ -	\$ 2,948,172
Agency Bond	2,145,981	-	247,859	951,272	-	946,850
STAR Ohio	2,815,411	2,815,411	-	-	-	-
Total	\$ 9,883,735	\$ 3,809,990	\$ 247,859	\$ 1,930,864	\$ -	\$ 3,895,022

The weighted average maturity of investments at December 31, 2024 is 1.44 years. The County's investments in STAR Ohio are valued at the daily redemption value as reported by the underlying fund (Level 1 inputs).

The County's investment policy addresses interest rate risk by requiring that the County's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Interest rate risk: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase.

Credit Risk: The County has no investment policy dealing with investment credit risk beyond the requirement in state statutes. STAR Ohio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The U.S. Treasury Notes and agency bonds were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

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 County has no investment policy dealing with investment custodial risk beyond the requirements in ORC135.35 (J) (2) which states, "Payments for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

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

HARDIN COUNTY, OHIO

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Investment type</u>	<u>Amount</u>	<u>Percent of Total</u>
U.S. Treasury Note	\$ 4,922,343	49.80
Agency Bond	2,145,981	21.71
STAR Ohio	<u>2,815,411</u>	<u>28.49</u>
Total	<u>\$ 9,883,735</u>	<u>100.00</u>

E. Reconciliation of Cash and Investments to the Statement of Net Position - Cash Basis

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

Cash and investments per note disclosure

Carrying amount of deposits	\$ 30,408,745
Investments	9,883,735
Cash on hand	800
Total	<u>\$ 40,293,280</u>

Cash and investments per statement of net position - cash basis

Governmental activities	\$ 35,131,386
Business-type activities	773,126
Private purpose trust	351,198
Custodial funds	<u>4,037,570</u>
Total	<u>\$ 40,293,280</u>

NOTE 5 - TAXES

A. Property Taxes

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

2024 Real property taxes and public utility taxes are levied after October 2023 on the assessed value as of the January 1, 2023, the lien date. Assessed values are established by state law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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 earlier or later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value. 2024 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all County operations applied to real property for fiscal year ended December 31, 2024, was \$12.00 per \$1,000 of assessed valuation for real property and public utility tangible property upon which 2024 property tax receipts were based are as follows:

HARDIN COUNTY, OHIO

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

NOTE 5 - TAXES - (Continued)

Real property

Residential	\$ 432,971,100
Agricultural	306,577,910
Commercial	44,381,450
Industrial	28,617,910
Public utilities	848,900

Tangible personal property

Public utilities	<u>75,212,880</u>
Total assessed value	<u>\$ 888,610,150</u>

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

B. Permissive Sales and Use Tax

The County Commissioners by resolution have imposed a one and one-half percent tax on retail sales made in the County effective January 1, 2005. The allocation of the sales tax is 100% to the County's general fund. Vendor collections of the tax are paid to the State Treasury by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget Management the amount of the tax to be returned to the County. The Tax Commissioner's Certification must be made within forty-five days after the end of the month. The State then has five days in which to draw the warrant payable to the County.

C. Tax Abatements

The County enters into property tax abatement agreements with local business pursuant to Ohio Revised Code Section 5709: Taxable Property – Exemptions. Under this section, localities may grant property tax abatements for the purpose of attracting or retaining businesses with their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County.

For the year ended December 31, 2024, the County abated taxes totaling \$175,687 for the following tax abatement agreements.

An agreement was entered into with the County, the Village of Ada and Harvest Pride Tortillas & Chips, LLC. in August 2012. This agreement abates 50% property tax on the increase taxable value for 10 years beginning January 1, 2014 and ending December 31, 2023. This increase in taxable value consists of new construction of \$850,000 of 20,000 square feet for the consolidation of its operations and requires the hiring of fifteen additional employees. This year the tax savings was \$6,397.

An agreement was entered into by the County and IP CBPR Properties 2 LLC (International Paper) in July 2014. This agreement abates 100% property tax on the increase taxable value for 15 years and will not extend beyond December 31, 2030. This increase in taxable value consists of new construction of 250,000 square feet to house its manufacturing and warehouse operations and to permit consolidation of its operations and expansion of its product lines.

In addition, International Paper will purchase and install new machinery and equipment of approximately \$45,000,000. International Paper shall create the equivalent of 125 new full-time permanent job opportunities and use its best efforts to retain 532 existing full-time equivalent jobs. The increase in the number of employees will result in approximately \$4,216,000 of additional annual payroll. This year the tax savings was \$139,925.

HARDIN COUNTY, OHIO

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

NOTE 5 - TAXES - (Continued)

An agreement was entered into by the County and Associated Plastics Corporation in 2016. This agreement abates 75% property tax on the increase taxable value for 10 years and will not extend beyond December 31, 2027. This increase in taxable value consists of adding additional space to their building and hiring new ten full-time permanent employees for an additional payroll of approximately \$400,000 per year. This year the tax savings was \$12,113.

An agreement was entered into by the County, Buck Township and McCullough Properties in August 2017. This agreement abates 75% property tax on the increase taxable value for 10 years. This increase in taxable value consists of new construction of a 35,000 square foot facility with new machinery and equipment of approximately \$1,000,000, furniture and fixtures of \$50,000, and inventory of \$300,000. McCullough Properties will also create the equivalent of four to six new full-time permanent job opportunities, and of four to six new part-time permanent jobs for an additional payroll of approximately \$200,000 per year. This year the tax savings was \$17,252.

NOTE 6 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters.

The County is a member of County Risk Sharing Authority, Inc. (CORS) which is a shared risk pool of approximately seventy counties in Ohio. CORS was formed as an Ohio nonprofit corporation for the purpose of establishing the CORS Insurance/Self-Insurance Program. Member counties agree to jointly participate in the coverage of losses and pay all contributions necessary for the specified insurance coverage provided CORS. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. Coverage provided is as follows:

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HARDIN COUNTY, OHIO

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

NOTE 6 - RISK MANAGEMENT - (Continued)

General Liability - Each Occurrence	\$ 1,000,000
Excess Liability	7,000,000
Law Enforcement Professional Liability	1,000,000
Automobile Liability	1,000,000
Errors and Omissions Liability	1,000,000
Ohio Stop Gap Employers' Liability	1,000,000
Employee Benefits Liability	1,000,000
Privacy and Security Liability	1,000,000
Privacy Response Expenses	1,000,000
Regulatory Proceedings and Penalties	250,000
PCI-DSS Assessments	250,000
Electronic Equipment Data/Network Interruption Cost	250,000
Cyber Extortion	50,000
Attorney Disciplinary Proceedings	25,000
Declaratory, Injunctive or Equitable Relief	25,000
Real and Personal Property	125,000,000
Equipment Breakdown	100,000,000
Business Income/Extra Expense	2,500,000
Gross Earnings/Extra Expense	2,500,000
Contingent Business Interruption	100,000
Crime Coverage (Employee Dishonesty, Computer Fraud)	1,000,000
Uninsured/Underinsured Motorists	250,000
General Liability/Medical Professional Liability for County Home	1,000,000
Law Enforcement Liability	1,000,000
Fine Arts	1,000,000
Dog Warden Blanket Bond	2,000
Extra Expenses - Business Interruption	100,000
Electronic Data & Media	250,000
Flood	125,000,000
Earthquake/Earth Movement	125,000,000
Money and Securities	1,000,000
Accounts Receivable	1,000,000
Automatic Acquisition	5,000,000
Pollutant Cleanup/Removal	50,000
Errors and Omissions	250,000
Mobile Medical Equipment	250,000
Property in Transit	100,000
Service Interruption Property Damage	2,500,000
Valuable Papers	2,500,000

The County continues to carry commercial insurance for all other risks of loss, including workers' compensation, dental, and prescription. Settled claims resulting from these risks have not exceeded CORSA's and commercial insurance coverage in any of the past three fiscal years.

Employees of the Hardin County Board of Developmental Disabilities (HCBDD) Board are covered by the County Boards Association (CBA) Benefit Services.

HARDIN COUNTY, OHIO

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

NOTE 7 - INTERFUND TRANSACTIONS

A. Transfers for the year ended December 31, 2024 consisted of the following, as reported in the fund financial statements:

Fund	Transfers In	Transfers Out
<u>Major governmental funds:</u>		
General	\$ -	\$ 383,582
Pike Repair	163,519	70,887
<u>Nonmajor governmental funds:</u>		
Landfill	-	317,000
Juvenile Court - Restitution Program	13,483	-
Juvenile Court - Core Program	-	13,483
Indigent Guardianship	12,000	-
Recorders - Technology	5,000	-
GIS	100,543	-
Emergency Management Agency	54,000	-
Keep Hardin County Beautiful	13,520	-
Law Library	35,000	-
OPWC - Debt Retirement	70,887	-
<u>Nonmajor enterprise funds:</u>		
Waste Disposal	<u>317,000</u>	-
Totals	<u>784,952</u>	<u>784,952</u>

All of the County transfers are shown above which require a resolution by the County Commissioners in order for the County Auditor to make. Transfers from the Landfill Fund were used for Waste Disposal operations. Transfers from the Pike Repair Fund to the OPWC - Debt Retirement Fund are to repay principal on OPWC loans for road projects. The transfer from the Juvenile Court – Core Program was made to a fund with a similar purpose. One of the County's resolutions requires monthly transfers from the General Fund to the GIS fund to finance GIS activities.

B. Advances for the year ended December 31, 2024 consisted of the following, as reported in the fund financial statements:

Fund	Advances In	Advances Out
<u>Major governmental funds:</u>		
General	\$ 5,453	\$ 5,000
<u>Nonmajor governmental funds:</u>		
Juvenile Court - IV-E	18,000	15,000
Juvenile Court - Therapy Works	-	5,000
Juvenile Court - OJJDP	15,000	-
Juvenile Court - Byrne Grant	-	13,000
Victims of Crime Act	5,000	4,500
Lease Ditch	-	953
Total governmental funds	<u>\$ 43,453</u>	<u>\$ 43,453</u>

These advances will be repaid in the next year as resources become available. Advances from restricted funds to the General fund were to repay previous advances. Advances between governmental funds are eliminated for reporting on the government-wide statement of net position – cash basis.

HARDIN COUNTY, OHIO

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

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

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

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees, other than certified teachers and other faculty members, 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. 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.

HARDIN COUNTY, OHIO

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (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	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
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

HARDIN COUNTY, OHIO

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

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

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

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HARDIN COUNTY, OHIO

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>State and Local</u>			
	<u>Traditional</u>	<u>Combined</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
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.

The County's contractually required contribution for the Traditional Pension Plan and the Combined Plan was \$2,051,624 for 2024.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers 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 E. Broad St., Columbus, OH 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.

HARDIN COUNTY, OHIO

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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 Ohio. 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 goes to the DC Plan 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 after termination of employment 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 plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 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 \$72,756 for 2024.

Net Pension Liabilities (Assets)

The net pension liability (asset) for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2024, and the total pension liability was used to calculate the net pension liability which 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.

HARDIN COUNTY, OHIO

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share:

	OPERS - Traditional	OPERS - Combined	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.08945900%	0.03710800%	0.00281454%	
Proportion of the net pension liability/asset current measurement date	<u>0.09131300%</u>	<u>0.04172100%</u>	<u>0.00412442%</u>	
Change in proportionate share	<u>0.00185400%</u>	<u>0.00461300%</u>	<u>0.00130988%</u>	
Proportionate share of the net pension liability	\$ 23,906,117	\$ -	\$ 793,605	\$ 24,699,722
Proportionate share of the net pension asset	- -	(128,243) -	(128,243)	

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

HARDIN COUNTY, OHIO

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (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)	
		24.00 %	2.85 %
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	41	%

HARDIN COUNTY, OHIO

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability (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:

	Current		
	1% Decrease	Discount Rate	1% Increase
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 37,634,653	\$ 23,906,117	\$ 12,487,966
Combined Plan	(77,601)	(128,243)	(168,136)

Actuarial Assumptions - STRS

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

	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 12.50%	Varies by service from 2.50% to 12.50%
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 Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

HARDIN COUNTY, OHIO

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

* Target allocation percentage is effective as of October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

	Current		
	1% Decrease	Discount Rate	1% Increase
County's proportionate share of the net pension liability	\$ 1,280,224	\$ 793,605	\$ 382,009

In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

HARDIN COUNTY, OHIO

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

NOTE 9 - POSTEMPLOYMENT BENEFITS

Net OPEB Liability (Asset)

See Note 8 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;

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.

HARDIN COUNTY, OHIO

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

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	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 December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through 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.

HARDIN COUNTY, OHIO

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

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$3,771 for 2024.

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. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the year ended December 31, 2024, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities (Assets)

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 liability 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.

HARDIN COUNTY, OHIO

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

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

Following is information related to the proportionate share:

	OPERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.08594200%	0.00281854%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.08787600%</u>	<u>0.00412442%</u>	
Change in proportionate share	<u>0.00193400%</u>	<u>0.00120588%</u>	
Proportionate share of the net OPEB asset	\$ (793,102)	\$ (78,232)	\$ (871,334)

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.

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HARDIN COUNTY, OHIO

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

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

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.

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.

HARDIN COUNTY, OHIO

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

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

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.

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:

	Current		
	1% Decrease	Discount Rate	1% Increase
County's proportionate share of the net OPEB liability/(asset)	\$ 435,865	\$ (793,102)	\$ (1,811,124)

HARDIN COUNTY, OHIO

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

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

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.

	Current Health Care Trend Rate		
	1% Decrease	Assumption	1% Increase
County's proportionate share of the net OPEB asset	\$ (826,034)	\$ (793,102)	\$ (755,734)

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:

	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	
Payroll increases	3.00%	3.00%	
Cost-of-living adjustments (COLA)	0.00%	0.00%	
Discount rate of return	7.00%	7.00%	
Blended discount rate of return	N/A	N/A	
Health care cost trends		Initial	Ultimate
Medical		Initial	Ultimate
Pre-Medicare	7.50%	4.14%	7.50%
Medicare	-11.95%	4.14%	-10.94%
Prescription Drug		Initial	Ultimate
Pre-Medicare	-11.95%	4.14%	-11.95%
Medicare	7.50%	4.14%	1.33%

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

HARDIN COUNTY, OHIO

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

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

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.

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 - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

* Target allocation percentage is effective as of October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed STRS Ohio 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.

HARDIN COUNTY, OHIO

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

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

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 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 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.

	Current		
	1% Decrease	Discount Rate	1% Increase
County's proportionate share of the net OPEB asset	\$ (63,612)	\$ (78,232)	\$ (90,959)
	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	\$ (91,818)	\$ (78,232)	\$ (61,893)

NOTE 10 - DEBT

A. Long-Term Obligations

The County's long-term debt transactions for the year ended December 31, 2024, are summarized below:

Governmental Activities:	<u>Interest Rate</u>	<u>Balance 12/31/23</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/24</u>	<u>Amount Due In One Year</u>
<u>OPWC Loans (Direct Borrowings / Direct Placements):</u>						
County Road 175 Improvements	0.00	\$ 47,943	\$ -	\$ (9,589)	\$ 38,354	\$ 9,588
County Roads 200 and 277 Bridge Improvements	0.00	52,500	-	(15,000)	37,500	15,000
County Roads 195 and 200 Improvements	0.00	126,366	-	(16,849)	109,517	16,849
County Road 205 Bridge Improvements	0.00	96,744	-	(10,749)	85,995	10,749
County Road 65 Bridge Replacement Improvements	0.00	<u>187,000</u>	<u>-</u>	<u>(18,700)</u>	<u>168,300</u>	<u>18,700</u>
Total OPWC Loans		<u>510,553</u>	<u>-</u>	<u>(70,887)</u>	<u>439,666</u>	<u>70,886</u>
Total Governmental Activities		<u>\$ 510,553</u>	<u>\$ -</u>	<u>\$ (70,887)</u>	<u>\$ 439,666</u>	<u>\$ 70,886</u>

OPWC Loans:

OPWC loans consist of monies owed to the Ohio Public Works Commission for various infrastructure projects. 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 had the following OPWC loans outstanding at December 31, 2024:

County Road 175 Improvements - During 2009 the County completed a road project which was financed in the amount of \$191,768 with an OPWC loan to the County. The loan is scheduled for repayment over a twenty-year period that began in July 2008.

HARDIN COUNTY, OHIO

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

NOTE 10 - DEBT - (Continued)

County Roads 200 and 277 Bridge Improvements - During 2016 the County completed a road project which was financed in the amount of \$150,000 with an OPWC loan to the County. The loan is scheduled for repayment over a ten-year period.

County Roads 195 and 200 Improvements - In 2020, the County started County and Township-wide Road Improvement projects which were financed in the amount of \$168,489 with an OPWC loan with zero interest to the County. The loan is scheduled for repayment over a ten year period beginning in 2021 when the projects are completed.

County Road 205 Bridge Improvements - During 2022 the County completed a road project which was financed in the amount of \$107,493 with an OPWC loan to the County. The loan is scheduled for repayment over a ten-year period.

County Road 65 Bridge Replacement Improvements - During 2023 the County completed a bridge replacement improvement project which was financed in the amount of \$187,000 with an OPWC loan to the County. The loan is scheduled for repayment over a ten-year period.

The following is a summary of the County's future annual debt service requirements for OPWC loans:

<u>Year</u>	<u>Principal</u>
2025	\$ 70,886
2026	70,887
2027	63,387
2028	55,887
2029	46,298
2030 - 2032	<u>132,321</u>
Total	<u>\$ 439,666</u>

B. Net General Obligation Debt

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 effects of the debt limitations described above on December 31, 2024 are an overall debt margin of \$20,715,254 and an un-voted debt margin of \$8,886,102.

C. Conduit Debt

The County issues industrial development bonds on behalf of companies to finance construction of facilities. Facilities are pledged as collateral for the debt, and the bonds are payable solely from the payments received from companies on the mortgage on the facilities. No collateral, security, or commitment is provided by the County to support the debt service payments of the bonds and the bonds are not parity bonds nor are they cross-collateralized with other debt. The following bonds were issued by the County:

HARDIN COUNTY, OHIO

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

NOTE 10 - DEBT - (Continued)

In October 2020, the County authorized the issuance of Economic Development Facilities Revenue Refunding Bonds Series 2020, in the amount of \$35,000,000 for the benefit of Ohio Northern University to rent and retire certain revenue financings. The outstanding debt on December 31, 2024 is \$25,770,000.

The proceeds of the bonds do not constitute a general obligation, debt, or bonded indebtedness of the County; neither is the full faith and credit, or taxing power of the County pledged to make repayment.

NOTE 11 - LANDFILL COMMITMENTS

The County closed a landfill site in 1995, in accordance with state and federal laws. This closure requires the County to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

Each year the County engages a consultant to complete a study regarding post closure landfill costs (monitoring and maintenance of the site). This study is subject to review by the Ohio Environmental Protection Agency. Although post closure care costs will be paid after the date the landfill stops accepting waste, the County estimates the remaining post closure care costs to be estimated that \$440,738 based on last year's study over the remaining year of the 30-year monitoring period. Actual costs may differ due to inflation, changes in technology, or changes in regulations. The County obtained a promissory note for the face amount of the estimated post closure costs in the event fees or tax revenue would not be sufficient to cover the annual post closure costs. Presently a solid waste transfer station is operating, and transfer fees and tax revenues are financing the post closure costs. Due to the County's application of the cash basis of accounting, this long-term obligation is not reported as a liability in the financial statements.

NOTE 12 - CONTINGENCIES

A. Grants

The County receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires 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 or other applicable funds. However, in the opinion of management, any such disallowed claims would be immaterial.

B. Litigation

The County is not a party to legal proceedings that, in the opinion of management, would have a material adverse effect on the financial statements.

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS

West Central Ohio Network

The West Central Ohio Network (West CON) is a regional council of government. West CON is comprised of the boards of Developmental Disabilities (DD) of several counties, including, Auglaize, Darke, Logan, Mercer, Miami, Shelby, Union, and Hardin. The Board of Directors is made up of the Superintendents from each of these DD Boards, and the degree of control exercised by any participating government is limited to its representation on the Board. West CON is the administrator and fiscal agent of Supported Living funds for each of these Boards of Developmental Disabilities. Financial information can be obtained from Lynn Wolters, Executive Director, PO Box 379, 200 Childrens Home Road, Sidney, Ohio 45365.

HARDIN COUNTY, OHIO

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

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Hardin County Regional Planning Commission

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

The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. Each participating government may be required to contribute an assessment per capita, according to the latest federal census, in any calendar year in which the revenue is needed. Financial information can be obtained from Mark Doll, Director, One Courthouse Square, Suite 130, Kenton, Ohio 43326.

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

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

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

The Federal WIA program is administered through the Ohio Department of Job and Family Services and operates on a state fiscal year from July 1 to June 30. Effective July 1, 2002, Auglaize County participated in a multi-county WDA with Hardin and Mercer Counties, with Mercer as the fiscal agent. Financial information can be obtained from Randy Grapner, Mercer County Auditor, 101 North Main Street, Room 105, Celina, Ohio 45822-1794.

Hardin County Family and Children First Council

The Hardin County Family and Children First Council (FCFC) provide services to multi-need youth in the County. Members of the council include the Hardin County Board of Developmental Disabilities, Mental Health Board, Hardin County Child Support Enforcement Agency, Alcohol, Drug and Mental Health Service Board, Head Start, Kenton-Hardin County Board of Health, Kenton City Schools, Hardin County Human Services, Midwest Educational Service Center, and the Ohio Department of Youth Services. The operation of the council is controlled by an advisory committee, which consists of a representative from each agency. Funding comes mainly from the State of Ohio. Financial information can be obtained from Amber Conley, Director, 175 W. Franklin Street, Suite 150, Kenton, Ohio 43326-1486.

North Central Ohio Solid Waste District

Hardin County participates in a multi-county Solid Waste District along with Allen, Champaign, Madison, Shelby and Union Counties. The District was established following the requirements of House Bill 592. The Board of Directors consists of County Commissioners from each county based on its individual county population compared to the total of all participating counties' population.

HARDIN COUNTY, OHIO

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

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

In 1994, the District became self-supporting and does not anticipate having to rely on future support coming from funds given to the District by the six counties. Hardin County does not contribute to the Joint Solid Waste District nor does it anticipate doing so in the future. Allen County serves as fiscal agent. Financial information may be obtained from the North Central Ohio Solid Waste District, 815 Shawnee Road, Suite D, Lima, Ohio 45805.

Western Ohio Regional Treatment and Habilitation (WORTH) Center

The Western Ohio Regional Treatment and Habilitation (WORTH) Center is a residential probation center created in 1991 under Section 2301.51 of the Ohio Revised Code. The WORTH Center is operated by the Facilities Governing Board comprised of Allen, Auglaize, Hancock, Hardin, Mercer, Paulding, Putnam, Shelby, and Van Wert Counties. The WORTH Center is operated for men and women from the nine counties placed on probation by the Common Pleas Court that otherwise would be sentenced to incarceration in a state penal institution. Training and counseling are personalized to meet the needs of each offender and are designed to establish an ongoing treatment plan that will accompany the offender upon release from the WORTH Center. The WORTH Center is located in Allen County and Allen County serves as the fiscal agent.

A Facilities Governing Board oversees the facility's operations. Common pleas judges from the counties the facility serves comprise a Judicial Advisory Board. The Judicial Advisory Board appoints two-thirds of the members of the Facilities Governing Board and advises the Board regarding facility matters. The Board includes at least one common pleas court judge from each county the facility serves. The County has entered into a sublease with the Department of Rehabilitation and Correction which stipulates that the WORTH Center building constructed by the Ohio Building Authority reverts to the Allen County's ownership after twenty years from the start of the WORTH Center project. Hardin County does not contribute to the operations of the WORTH Center nor does it anticipate doing so in the future. Financial information may be obtained from the WORTH Center, 243 East Bluelick Road, Lima, Ohio 45802.

NOTE 14 - JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The following organizations are joint ventures of the County:

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

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

The Board of Trustees consists of sixteen members. Four members are appointed by the Director of the Ohio Department of Mental Health, four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services and the remaining members are appointed by the County Commissioners of Allen, Auglaize, and Hardin counties in the same proportion as the County's population bears to the total population of the three counties combined. The degree of control exercised by any participating government is limited to its representation on the Board. The MHRSB is a joint venture since continued participation by the County is necessary for the continued existence.

Allen County acts as the fiscal agent for the MHRSB. The Board receives tax revenue from the three Counties and receives federal and state funding through grant monies, which are applied for and received by the board of trustees.

The MHRSB is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on members in the future. The Board has sole budgetary authority and controls surpluses and deficits and the county is not legally or morally obligated for the Board's debt.

HARDIN COUNTY, OHIO

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

NOTE 14 - JOINT VENTURES - (Continued)

Complete financial statements can be obtained from the Allen County Auditor, Rachael S. Gilroy, 301 North Main Street, Room 103, Lima, Ohio 45801.

Multi County Correctional Center

The Multi County Correctional Center is a jointly established non-profit corporation who's general-purpose is to allow for the humane and constitutional detention of persons who cannot be released to less restrictive alternatives. Institutional programming will provide opportunities for rehabilitation for inmates while meeting all relevant correction standards, including the Minimum Standards for Jails, in Ohio for Full-Service Facilities.

The Center is governed by a Joint County Corrections Commission. The Commission shall be a board composed of the following representatives: The President of the Board of County Commissioners, the Sheriff, and the Presiding Judge of the Court of Common Pleas or his designee from each member county. The Commission shall have an executive committee, construction committee, and operations committee who shall be responsible for the planning, construction, and day to day operating activities of the facility.

The Commission has no outstanding debt as of December 31, 2024. Financial information can be obtained from the Marion County Auditor, Joan M. Kasotis, 222 West Center Street, Marion, Ohio 43302.

NOTE 15 - RISK POOLS

County Risk Sharing Authority, Inc. (CORS)

CORS is an Ohio nonprofit corporation includes approximately seventy counties in Ohio, for the purpose of establishing the CORS Insurance/Self-Insurance Program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORS. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the CORS are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. 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 CORS is limited to its voting authority and any representation it may have on the Board of Trustees.

County Commissioner Association of Ohio Workers' Compensation Group Rating Plan

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

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

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

HARDIN COUNTY, OHIO

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

NOTE 15 - RISK POOLS - (Continued)

County Employee Benefit Consortium of Ohio, Inc.

The County is participating in an insurance group purchasing pool for employee benefit plan costs, which was established under the authority granted by Section 9.833 of the Ohio Revised Code. The County Employee Benefit Consortium of Ohio, Inc. (CEBCO) was established to assist political subdivisions of the State of Ohio in controlling employee benefit plan costs.

CEBCO is responsible for obtaining and providing to members within 90 days after the last day of the fiscal year, a written report by a member of the American Academy of Actuaries concerning the benefit program.

This report shall certify whether the amounts reserved by CEBCO to cover potential cost of health care benefits for eligible officials, employees, and dependents are sufficient and are computed in accordance with accepted loss reserving standards. Each member political subdivision has a voting representative on the CEBCO Board.

NOTE 16 - RELATED ORGANIZATIONS

Mary Lou Johnson - Hardin County District Library

The Library Board is made up of seven members, four are appointed by the Commissioners of the County and three are appointed by the Common Pleas Court Judge of the County. The County is not involved in the budgeting process or operational management of the Library, nor does it subsidize or finance its operations. The County does pass through local government monies from the State of Ohio to the Library. Financial information can be obtained from Camella Hemmerly, Fiscal Officer, 325 East Columbus Street, Kenton, Ohio 43326.

Hardin County Veterans Memorial Park District

The Park District Board is made up of three members, all of which are appointed by the Probate Judge of the County. The County is not involved in the budgeting process or operational management of the Park District, nor does it subsidize or finance its operations. Financial information can be obtained from Danielle Gammon, Clerk, One Courthouse Square, Suite 210, Kenton, Ohio 43326.

NOTE 17 - FISCAL AGENT RELATIONSHIPS

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, serve as fiscal officer and custodian of funds for various agencies, boards, and commissions. As fiscal officer, the Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the custodian of all public funds, the Treasurer invests 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 and custodian, but does not exercise primary oversight responsibility; accordingly, the following districts and agencies are presented as custodial funds within the County's financial statements:

Kenton-Hardin County General Health District

The eight-member Board of Health is appointed by the District Advisory Council, which is comprised of Township Trustee Chairmen, Fiscal Officers and Mayors of participating municipalities. The Board adopts its own budget and operates autonomously from the County. Financial information can be obtained from the Dionne Staley, Fiscal Officer, 175 West Franklin Street Suite 120, Kenton, Ohio 43326-2398.

HARDIN COUNTY, OHIO

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

NOTE 17 - FISCAL AGENT RELATIONSHIPS - (Continued)

Hardin Soil and Water Conservation District

The five members of the District are independently elected officials. They adopt their own budget and control their separate operations. Financial information can be obtained from Denna Clem, District Administrator, 950 W. Kohler St. Kenton, OH 43326.

Hardin County Family and Children First Council

The members of the Council are appointed according to Ohio Revised Code Section 121.37. Financial information can be obtained from Jodi Tudor, Director, 175 W. Franklin Street, Suite 150, Kenton, Ohio 43326-1486.

NOTE 18 - OTHER DISTRICTS

The Hardin County Regional Planning Commission, Council on Aging, and the Hardin County Veterans Memorial Park District, are also not a part of the County reporting entity although they are presented as custodial funds within the County's financial statements.

NOTE 19 - RELATED PARTY TRANSACTIONS

During 2024, the County provided a subsidy to the Hardin County Housing Development, Inc. (HCHD) in the amount of \$35,000 to pay contracts of the maintenance manager and the finance manager.

In prior years, staff salaries, transportation, equipment, and other funds were paid by the county as in-kind expenses. These expenses are now paid by HCHD.

NOTE 20 - COMPONENT UNITS

The following schedule shows summary information of the two components of Hardin County, the Airport Authority and the Hardin Housing Development, Inc.:

Condensed Statement of Cash Receipts, Cash Disbursements and Changes in Net Cash Position

	Airport Authority	Hardin County Housing	Total
Program Cash Receipts	\$ 344,189	\$ 113,850	\$ 458,039
Non-Operating Cash Receipts	5,817	193,476	199,293
Program Cash Disbursements	(281,022)	(227,456)	(508,478)
Changes in Net Cash Position	68,984	79,870	148,854
Net Cash Position Beginning of Year	203,810	51,610	255,420
Net Cash Position End of Year	<u>\$ 272,794</u>	<u>\$ 131,480</u>	<u>\$ 404,274</u>

A. Hardin County Airport Authority

Accounting Basis - The financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Airport recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is required.

HARDIN COUNTY, OHIO

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

NOTE 20 - COMPONENT UNITS - (Continued)

Fund Accounting - The Airport classifies its one fund as an enterprise fund. Enterprise funds account for operations that are similar to private business enterprises, where management intends to recover the significant of providing certain goods or services through user charges.

Deposits and Investments - The Airport maintained all money in a checking account which is valued at cost. The carrying amount of deposits on December 31 was \$272,794. Deposits are insured by the Federal Depository Insurance Corporation.

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

B. Hardin County Housing Development, Inc.

Accounting Basis - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Financial statements are prepared using the accrual basis of accounting. For purposes of presentation within the County financial statements, cash activity has been presented.

Fund Accounting - The one operating fund includes restricted resources for reporting income and expense and represents the portion of expendable funds that is available for the budgeted operations of the organization. There are no temporary restricted funds.

Capital Assets - Property and equipment are listed at cost, net of accumulated depreciation, which is calculated using the straight-line method. Buildings are depreciated over a life of forty years, equipment over ten years and improvements over fifteen years. Assets of more than \$500 are capitalized. Items under \$500 are recorded in the expense account "Supplies".

Cash - Cash includes amounts in demand deposits. At year end the carrying amount of bank deposits was \$131,480. Of the bank balance, all was covered by federal depository insurance and 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.

Tax-exempt Status - The Housing Development is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Service Code and classified by the Internal Revenue Service as other than a private foundation.

The Housing Development's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2023, 2022, and 2021 are subject to examination by the IRS, generally for three years after they are filed.

HARDIN COUNTY, OHIO

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

NOTE 21 - FUND BALANCES

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

Fund balance	General	Job and Family Services	Pike Repair	HCBDD	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Unclaimed monies	\$ 49,379	\$ -	\$ -	\$ -	\$ -	\$ 49,379
Total nonspendable	49,379	-	-	-	-	49,379
Restricted:						
Road and bridge maintenance	-	-	2,540,368	-	-	2,540,368
Ditch maintenance	-	-	-	-	1,322,442	1,322,442
Real estate assessment	-	-	-	-	220,103	220,103
Public assistance	-	554,863	-	-	-	554,863
Development disabilities	-	-	-	3,778,969	-	3,778,969
Capital improvements	-	-	-	-	29,296	29,296
911 Services	-	-	-	-	469,154	469,154
Children services	-	-	-	-	774,379	774,379
Other purposes	-	-	-	-	9,865,799	9,865,799
Total restricted	-	554,863	2,540,368	3,778,969	12,681,173	19,555,373
Committed:						
Workers compensation	770,665	-	-	-	-	770,665
Underground storage	11,000	-	-	-	-	11,000
Capital improvements	-	-	-	-	632,564	632,564
Total committed	781,665	-	-	-	632,564	1,414,229
Assigned:						
Encumbrances	109,883	-	-	-	-	109,883
Subsequent year's appropriations	1,874,945	-	-	-	-	1,874,945
Total assigned	1,984,828	-	-	-	-	1,984,828
Unassigned	12,127,577	-	-	-	-	12,127,577
Total fund balances	\$ 14,943,449	\$ 554,863	\$ 2,540,368	\$ 3,778,969	\$ 13,313,737	\$ 35,131,386

On January 24, 2013, the County Commissioners passed a Resolution (V90) to setup the Budget Stabilization fund under Ohio Revised Code 5705.13(A). As of December 31, 2024, the current fund balance was \$1,600,000 and is included as part of the unassigned balance in the General Fund. There are currently no written rules for how the money will be used other than future projects that may come up.

HARDIN COUNTY, OHIO

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

NOTE 22 - OTHER COMMITMENTS

The County records all encumbrances and does not have a policy of what encumbrances are considered significant encumbrances. All encumbrances are classified as assigned fund balance in the General Fund and restricted or committed in the major and non-major governmental funds.

Encumbrances as of year-end were:

<u>Governmental Funds:</u>	<u>Assigned</u>	<u>Restricted</u>
General	\$ 109,883	\$ -
Job and Family Services	-	163,861
Pike Repair	-	102,231
Board of Developmental Disabilities	-	10,837
Nonmajor Governmental Funds	<hr/>	<hr/> 2,034,448
Total	<hr/> \$ 109,883	<hr/> \$ 2,311,377

NOTE 23 - FEDERAL FOOD STAMP PROGRAM

The County's Department of Job and Family Services (JFS) distributes federal food stamps to entitled recipients within the County. The receipt and issuance of these stamps have the characteristics of federal "grants", however, the JFS merely acts in an intermediary capacity. Therefore, the activity and inventory value of the stamps is not reflected in the accompanying financial statements. The County's JFS distributed \$7,186,815 of federal food stamps during 2024.

HARDIN COUNTY, OHIO

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under) Actual Amounts
	Original	Final		
			Budgetary Basis	
Budgetary receipts:				
Sales taxes	\$ 5,500,000	\$ 5,500,000	\$ 6,241,154	\$ 741,154
Real and other taxes	1,623,000	1,623,000	2,196,533	573,533
Charges for services	1,297,100	1,297,100	1,512,150	215,050
Licenses and permits	1,500	1,500	2,055	555
Fines and forfeitures	17,000	17,000	18,198	1,198
Intergovernmental	1,470,360	1,470,360	1,705,591	235,231
Investment income	900,000	900,000	1,586,498	686,498
Payment in lieu of taxes	790,000	790,000	813,699	23,699
Other	135,489	123,800	151,934	28,134
Total budgetary receipts	11,734,449	11,722,760	14,227,812	2,505,052
Budgetary disbursements:				
Current:				
General government:				
Legislative and executive	5,491,857	5,911,877	5,367,132	(544,745)
Judicial	3,130,058	3,342,635	2,287,295	(1,055,340)
Public safety	4,021,820	4,336,855	4,260,871	(75,984)
Public works	58,263	58,380	43,078	(15,302)
Human services	347,775	348,447	329,308	(19,139)
Conservation and recreation	83,200	84,225	48,474	(35,751)
Total budgetary disbursements	13,132,973	14,082,419	12,336,158	(1,746,261)
Budgetary excess (deficiency) of receipts over (under) disbursements	(1,398,524)	(2,359,659)	1,891,654	4,251,313
Budgetary other financing (uses):				
Advances in	-	-	5,453	5,453
Advances out	-	-	(5,000)	(5,000)
Transfers out	(400,000)	(400,000)	(383,582)	16,418
Total budgetary other financing (uses)	(400,000)	(400,000)	(383,129)	16,871
Net change in fund cash balance	(1,798,524)	(2,759,659)	1,508,525	4,268,184
Budgetary fund balance at beginning of year	12,147,147	12,147,147	12,147,147	-
Prior year encumbrances appropriated	164,695	164,695	164,695	-
Budgetary fund balance at end of year	\$ 10,513,318	\$ 9,552,183	\$ 13,820,367	\$ 4,268,184

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

HARDIN COUNTY, OHIO

SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
JOB AND FAMILY SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
			Budgetary Basis	Actual Amounts
Budgetary receipts:				
Charges for services	\$ 1,200,000	\$ 1,200,000	\$ 552,634	\$ (647,366)
Intergovernmental	3,856,000	3,856,000	3,713,070	(142,930)
Other	20,000	20,000	16,881	(3,119)
Total budgetary receipts	<u>5,076,000</u>	<u>5,076,000</u>	<u>4,282,585</u>	<u>(793,415)</u>
Budgetary disbursements:				
Current:				
Human services	5,076,000	5,227,614	4,054,402	(1,173,212)
Total budgetary disbursements	<u>5,076,000</u>	<u>5,227,614</u>	<u>4,054,402</u>	<u>(1,173,212)</u>
Net change in fund cash balance	-	(151,614)	228,183	379,797
Budgetary fund balance at beginning of year	111,180	111,180	111,180	-
Prior year encumbrances appropriated	51,639	51,639	51,639	-
Budgetary fund balance at end of year	<u>\$ 162,819</u>	<u>\$ 11,205</u>	<u>\$ 391,002</u>	<u>\$ 379,797</u>

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

HARDIN COUNTY, OHIO

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

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Over (Under) Actual Amounts
	<u>Original</u>	<u>Final</u>		
	<u>Budgetary</u>	<u>Basis</u>		
Budgetary receipts:				
Charges for services	\$ 533,489	\$ 565,000	\$ 841,930	\$ 276,930
Fines and forfeitures	32,104	34,000	25,291	(8,709)
Intergovernmental	7,030,873	7,446,160	5,874,045	(1,572,115)
Investment income	28,327	30,000	127,748	97,748
Other	236,057	250,000	132,594	(117,406)
Total budgetary receipts	7,860,850	8,325,160	7,001,608	(1,323,552)
Budgetary disbursements:				
Current:				
Public works	10,435,160	10,576,815	7,322,400	(3,254,415)
Total budgetary disbursements	10,435,160	10,576,815	7,322,400	(3,254,415)
Budgetary excess (deficiency) of receipts over (under) disbursements	(2,574,310)	(2,251,655)	(320,792)	1,930,863
Budgetary other financing (uses):				
Transfers in	151,077	160,000	163,519	3,519
Transfers out	(50,000)	(70,887)	(70,887)	-
Total budgetary other financing (uses)	101,077	89,113	92,632	3,519
Net change in fund cash balance	(2,473,233)	(2,162,542)	(228,160)	1,934,382
Budgetary fund balance at beginning of year	2,473,233	2,473,233	2,473,233	-
Prior year encumbrances appropriated	193,064	193,064	193,064	-
Budgetary fund balance at end of year	\$ 193,064	\$ 503,755	\$ 2,438,137	\$ 1,934,382

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

HARDIN COUNTY, OHIO

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under) Actual Amounts
	Original	Final		
			Budgetary Basis	
Budgetary receipts:				
Real and other taxes	\$ 2,650,110	\$ 2,650,110	\$ 2,406,416	\$ (243,694)
Intergovernmental	1,071,616	1,071,616	2,190,232	1,118,616
Contributions and donations	-	-	1,450	1,450
Payment in lieu of taxes	331,000	331,000	319,249	(11,751)
Other	60,000	60,000	17,217	(42,783)
Total budgetary receipts	4,112,726	4,112,726	4,934,564	821,838
Budgetary disbursements:				
Current:				
Human services	4,962,313	5,314,140	4,664,321	(649,819)
Total budgetary disbursements	4,962,313	5,314,140	4,664,321	(649,819)
Net change in fund cash balance	(849,587)	(1,201,414)	270,243	1,471,657
Budgetary fund balance at beginning of year	3,433,128	3,433,128	3,433,128	-
Prior year encumbrances appropriated	63,267	63,267	63,267	-
Budgetary fund balance at end of year	\$ 2,646,808	\$ 2,294,981	\$ 3,766,638	\$ 1,471,657

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

HARDIN COUNTY, OHIO

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

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

A. Budget

In accordance with Section 5747.53 of the Ohio Revised Code, the County Budget Commission has provided for the apportionment of undivided local government funds under an alternative method that has been approved by governmental subdivisions within the County. Under this alternative method, the County Budget Commission has waived the requirement for the Taxing Authority of a subdivision to adopt a tax budget.

B. Estimated Resources

The County Budget Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources that states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the County must revise its budget so that the total contemplated disbursements from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include January 1 unencumbered fund balances. However, those fund balances are available for appropriations.

C. Appropriations

1. Following submission of requests by various offices and departments, the Board of County Commissioners holds budget hearings during the fall with respective officeholders and department heads.
2. Shortly before the beginning of the year, the County Commissioners pass an Appropriation Resolution that legally authorizes the expenditure of funds for respective officeholders and department heads.
3. Appropriations are provided in the amounts of approved grants by the Board of County Commissioners.
4. The revised budget figures reflected in the combined financial statements include the prior year appropriations carried over for liquidations against prior year encumbrances, and any amendments to the original Appropriation Resolution.
5. The Commissioners appropriate at the major account level within a division and fund. The appropriation level accounts for the County include personal services, fringe benefits, county share of the Ohio Public Employees Retirement System, unemployment compensation, materials and supplies, services and charges, grants, capital outlays, debt service, inter-fund transfers, and other disbursements. For funds, which are directly appropriated by the Commissioners, transfers of appropriations at the major account level or between appropriation levels require a resolution signed by at least two Commissioners.
6. Supplemental appropriations are made when needed, subject to approval by at least two Commissioners. Supplemental appropriations were made during 2024 and were considered routine.
7. Unencumbered appropriations lapse at year-end. Contracts and purchase-type encumbrances outstanding at year-end carry their appropriations with them into the next year. Contracts and purchase-type encumbrances outstanding at year-end are recorded as expenditures on the budget basis of accounting.
8. The budgetary procedures described herein apply to all funds except the trust and custodial funds.

HARDIN COUNTY, OHIO

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

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING – (Continued)

D. Encumbrances

The County is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts, and other commitments for the disbursement of funds are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary control in the appropriated governmental and proprietary funds. Encumbrances outstanding at year-end are reported as assigned or restricted fund balance for subsequent year disbursements on the cash basis of accounting, compared to encumbrances outstanding at year-end reported as disbursements on the budget basis of accounting. At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and need not be re-appropriated.

E. Hardin County Board of Developmental Disabilities (HCBDD) Fund Budgetary Comparison Schedule-Actual Resources and Charges to Appropriations

The West Central Ohio Network is a jointly governed organization of the County, and the activity on behalf of the County is recorded as cash receipts and cash disbursements on the financial statements. However, this activity is not included in the County's annual budget and, therefore, is not reflected on the HCBDD Fund Budgetary Comparison Schedule.

F. Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursement, and encumbrances. The Budgetary Comparison Schedules presented for the General Fund and major Special Revenue Funds are prepared on the budget basis to provide a meaningful comparison of actual results with the budget. The difference between the budget basis and the cash basis is that outstanding encumbrances are treated as disbursements (budget basis) rather than as an assigned or restricted fund balance (cash basis).

Net Changes in Fund Balance

	General	Job and Family Services	Pike Repair	HCBDD
Budget basis	\$ 1,508,525	\$ 228,183	\$ (228,160)	\$ 270,243
Activity with Fiscal Agent*	-	-	-	(181,680)
Funds budgeted elsewhere**	39,965	-	-	-
Adjustment for encumbrances	107,883	163,861	102,231	10,837
Cash basis	<u>\$ 1,656,373</u>	<u>\$ 392,044</u>	<u>\$ (125,929)</u>	<u>\$ 99,400</u>

*Cash with Fiscal Agent represents money held by West Central Ohio Network. Both accounts are recorded on the cash financial statements at year-end.

**As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate funds are considered part of the general fund on a cash basis. For the County, this includes the recorder's equipment and certificate of title administration funds.

HARDIN COUNTY

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

Federal Grantor Pass Through Grantor Program Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. 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-2425-11-6144		281,598
Total SNAP Cluster				281,598
Total U.S. Department of Agriculture				281,598
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>(Passed through Ohio Department of Development)</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-F-23-1BD-1		93,835
Home Investment Partnerships Program	14.239	B-C-20-1BD-2		10,163
Total U.S. Department of Housing and Urban Development				103,998
U.S. DEPARTMENT OF JUSTICE				
<i>(Direct Program)</i>				
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838			218,894
<i>(Passed through Ohio Department of Public Safety)</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2023-JG-A02-6346		18,604
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2023-JG-A01-6345		27,333
Total Edward Byrne Memorial Justice Assistance Grant Program				45,937
Total United States Department of Justice				264,831
U.S. DEPARTMENT OF EDUCATION				
<i>(Passed through Ohio Department of Education and Workforce)</i>				
Special Education Cluster (IDEA):				
Special Education_Grants to States	84.027	N/A		17,446
Special Education_Preschool Grants	84.173	N/A		7,640
Total Special Education Cluster (IDEA)				25,086
COVID-19 Education Stabilization Fund				
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	N/A		302,492
Total COVID-19 Education Stabilization Fund				302,492
<i>(Passed through Ohio Department of Developmental Disabilities)</i>				
Special Education-Grants for Infants and Families	84.181	H181A230024		109,583
Total U.S. Department of Education				437,161
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>(Passed through Ohio Department of Job and Family Services)</i>				
Temporary Assistance for Needy Families	93.558	G-2425-11-6144	15,144	1,148,988
Children's Health Insurance Program	93.767	G-2425-11-6144		27,391
Medicaid Cluster				
Grants to States for Medicaid - Medical Assistance Program	93.778	G-2425-11-6144		615,754
Total Medicaid Cluster				615,754
Adoption Assistance	93.659	G-2425-11-6144		128,510
CCDF Cluster				
Child Care and Development Block Grant	93.575	G-2425-11-6144	31,514	31,514
Total CCDF Cluster			31,514	31,514
Social Services Block Grant	93.667	G-2425-11-6144		392,026
<i>(Passed through Ohio Department of Developmental Disabilities)</i>				
Social Services Block Grant	93.667	24010HSOSR		21,135
Total Social Services Block Grant				413,161

(continued)

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

Federal Grantor Pass Through Grantor Program Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<i>(Passed through Ohio Department of Job and Family Services)</i>				
Elder Abuse Prevention Interventions Program	93.747	G-2425-11-6144		5,739
MaryLee Allen Promoting Safe and Stable Families	93.556	G-2425-11-6144		22,815
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2425-11-6144		2,433
Foster Care_Title IV-E	93.658	G-2425-06-0129		8,898
Foster Care_Title IV-E	93.658	G-2425-11-6144		358,140
Total Foster Care_Title IV-E				367,038
Child Support Services	93.563	G-2425-11-6145		339,590
Total U.S. Department of Health and Human Services			46,658	3,102,933
U.S. DEPARTMENT OF LABOR				
<i>(Passed through Ohio Department of Job and Family Services)</i>				
WIOA Cluster:				
WIOA Adult Program	17.258	G-2425-15-0177		112,630
WIOA Youth Activities	17.259	G-2425-15-0177		118,970
WIOA Dislocated Worker Formula Grants	17.278	G-2425-15-0177		57,985
Total WIOA Cluster				289,585
Unemployment Insurance	17.225	G-2425-15-0177		14,412
Total U.S. Department of Labor				303,997
U.S DEPARTMENT OF TREASURY				
<i>(Direct Program)</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		1,971,450
Total U.S. Department of Treasury				1,971,450
U.S DEPARTMENT OF TRANSPORTATION				
<i>(Passed through Ohio Department of Transportation)</i>				
Highway Planning and Construction (HARD CR 150 3.40)	20.205	PID 117353		83,502
<i>(Passed through Ohio Department of Public Safety)</i>				
Highway Safety Cluster				
State and Community Highway Safety	20.600	LEL/TSRP-2024-Hardin Co. Sheriff's Offi-00004		84,743
State and Community Highway Safety	20.600	LEL/TSRP-2025-Hardin Co. Sheriff's Offi-00006		26,854
State and Community Highway Safety	20.600	IDEP-STEP-2024-Hardin Co. Sheriff's Offi-00053		12,587
State and Community Highway Safety	20.600	IDEP-STEP-2025-Hardin Co. Sheriff's Offi-00068		2,968
Total Highway Safety Cluster				127,152
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-STEP-2024-Hardin Co. Sheriff's Offi-00053		12,424
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-STEP-2025-Hardin Co. Sheriff's Offi-00068		3,580
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated				16,004
Total U.S. Department of Transportation				226,658
Total Expenditures of Federal Awards			46,658	6,692,626

The accompanying notes are an integral part of this schedule

HARDIN COUNTY

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS (CDBG) - REVOLVING LOAN PROGRAM WITHOUT CONTINUING COMPLIANCE REQUIREMENTS

The County has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low to moderate income households and to eligible persons. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County, passed through the Ohio Department of Development. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the properties. The following represents the activity of the revolving loans, the amount of loans outstanding and the cash balance available for loan.

Small Business Revolving Loans	Loan Activity and Balances	Cash Activity and Balances
Beginning Balances January 1, 2024	\$0	\$0
Loan Principal Repayments / Cash Receipts		
Loan and Grant Disbursements		
Loans Written off as Uncollectible		
Ending Balances December 31, 2024	\$ 0	\$0

There were no outstanding loans at December 31, 2024.

HARDIN COUNTY

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

NOTE E - 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 F – SUBRECIPIENTS

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

As a subrecipient, 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.



65 East State Street
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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**

Hardin County
One Courthouse Square, Suite 250
Kenton, Ohio 43326

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 cash-basis 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 Hardin 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 January 9, 2026, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles. We also noted the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. Our opinion is qualified on the aggregate discretely presented component units due to the financial statements of the Hardin County Housing Development, Inc. not being audited.

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.

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

Report on Compliance and Other Matters

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

County's Response to Findings

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

Purpose of this Report

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

KEITH FABER
Ohio Auditor of State



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

January 9, 2026



65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

Hardin County
One Courthouse Square, Suite 250
Kenton, Ohio 43326

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Hardin 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.

Hardin County

Independent Auditor's Report on Compliance with Requirements

Applicable to Each Major Federal Program and on Internal Control Over Compliance

Required by the Uniform Guidance

Page 3

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

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

KEITH FABER
Ohio Auditor of State



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

January 9, 2026

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HARDIN 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	Qualified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	COVID-19 Coronavirus State and Local Fiscal Recovery Funds – ALN 21.027 Temporary Assistance for Needy Families – ALN 93.558
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2024-001

Noncompliance Citation

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

FINDING NUMBER 2024-001
(Continued)

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

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

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

Officials' Response:

The County has passed a resolution on March 11, 2003, volume 70, page 131 stating that all annual reports beginning fiscal 2002 and thereafter will be on a cash basis. This decision was based on the cost of preparation, conversion, and audit expense. The County has estimated that it has saved nearly \$25,000 to \$35,000 annually.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

4. OTHER – FINDING FOR RECOVERY

In addition, we identified the following other issue related to a Finding for Recovery. This issue did not impact our GAGAS or Single Audit Compliance and Controls reports.

FINDING NUMBER 2024-002

FINDING FOR RECOVERY- THEFT, GRAND THEFT, MONEY LAUNDERING AND TAMPERING

Hardin County established a Local Revolving Loan Fund (RLF) to provide gap financing to local businesses and support economic development. Christopher Kitchen applied for the program and was authorized to receive a \$200,000 loan to Kitchen's Supermarket LLC using falsified invoices. The loan was partially disbursed to Christopher Kitchen, including multiple direct payments totaling \$53,499.17.

On April 1, 2025, Mr. Kitchen pled guilty and was convicted of four (4) felony counts in Hardin County Common Pleas Court case number CR20252016:

- Count (1) Theft in violation of Ohio Rev. Code § 2913.02 (A)(3);
- Count (2) Grand Theft in violation of Ohio Rev. Code § 2913.02(A)(3), (B)(2);
- Count (3) Money Laundering in violation of Ohio Rev. Code § 1315.55 (A)(3); and
- Count (4) Tampering with Records in violation of Ohio Rev. Code § 2913.42 (A)(3), (B)(4).

Mr. Kitchen was sentenced to serve a 36-month term in prison, and ordered to pay restitution in the amount of \$53,519.17 to the Hardin County Commissioners.

**FINDING NUMBER 2024-002
(Continued)**

From 2024 through 2025, Mr. Kitchen has made payments to Hardin County totaling \$6,888 via liquidated assets, check or money order. In accordance with the foregoing facts and pursuant to Ohio Rev. Code Chapter 117, a Finding for Recovery for public monies or property which has been converted or misappropriated is hereby issued against Christopher Kitchen in the amount of \$53,499.17, partially repaid under audit, leaving a balance of \$46,611.17, and in favor of the Hardin County Revolving Loan Fund.

Officials' Response:

The defendant pled guilty and is currently incarcerated and was ordered to pay restitution.

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HARDIN COUNTY

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

Finding Number	Finding Summary	Status	Additional Information
2023-001	Ohio Rev. Code § 117.38 and Ohio Adm. Code § 117-2-03 (B) – the County did not prepare financial statements in accordance with generally accepted accounting principles. First Reported in 2002.	Not corrected	Repeated as Finding 2024-001

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

Finding Number:	2024-001
Planned Corrective Action:	The County has passed a resolution on March 11, 2003, volume 70, page 131 stating that all annual reports beginning fiscal year 2002 and thereafter will be on a cash basis. This decision was based on the cost of preparation, conversion and audit expense. The County has estimated that it has saved nearly \$25,000 to \$35,000 annually.
Anticipated Completion Date:	N/A
Responsible Contact Person:	Michael T. Bacon
Finding Number:	2024-002
Planned Corrective Action:	The defendant pled guilty and is currently incarcerated and was ordered to pay restitution.
Anticipated Completion Date:	Unsure at this time.
Responsible Contact Person:	Hardin County Commissioners

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OHIO AUDITOR OF STATE KEITH FABER



HARDIN 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 2/5/2026

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

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