



**ASHLAND COUNTY
DECEMBER 31, 2024**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities.....	15
Fund Financial Statements:	
Balance Sheet	
Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual	
General Fund.....	23
Motor Vehicle and Gasoline Tax Fund	24
Job and Family Services Fund	25
Alcohol, Drug Addiction, and Mental Health Services Fund.....	26
Developmental Disabilities Fund	27
Children's Services Fund	28
Statement of Fund Net Position	
Enterprise Fund	29
Statement of Revenues, Expenses and Changes in Fund Net Position Enterprise Fund	30
Statement of Cash Flows	
Enterprise Fund	31
Statement of Fiduciary Net Position	
Fiduciary Funds	32
Statement of Changes in Fiduciary Net Position Fiduciary Funds	33
Notes to the Basic Financial Statements	35

**ASHLAND COUNTY
DECEMBER 31, 2024**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Required Supplementary Information:	
Schedule of the County's Proportionate Share of the Net Pension Liability – Last Ten Years.....	84
Schedule of the County's Contributions - Pension Last Ten Years.....	86
Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset) - Last Eight Years	88
Schedule of the County's Contributions - OPEB Last Ten Years.....	90
Notes to Required Supplementary Information	92
Schedule of Expenditures of Federal Awards	97
Notes to the Schedule of Expenditures of Federal Awards	100
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	101
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	103
Schedule of Findings.....	107

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Ashland County
142 West 2nd Street
Ashland, Ohio 44805

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ashland County, Ohio as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Motor Vehicle and Gasoline Tax, Job and Family Services, Alcohol, Drug Addiction and Mental Health Services, Developmental Disabilities and Children's Services Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 2 to the financial statements, during 2024, the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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 September 18, 2025, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

September 18, 2025

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Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

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

Financial Highlights

Key financial highlights for 2024 are as follows:

- In total, net position increased \$5.0 million. Net position of governmental activities increased \$4.9 million. Net position of business-type activities increased \$0.1 million.
- Total capital assets increased during the year by \$0.6 million. Governmental activities increased \$0.5 million and business-type activities increased \$0.1 million over prior year.

Using this Annual Report

This report is designed to allow the reader to look at the financial activities of the County as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the County's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year and how they affected the operations of the County as a whole.

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column.

A question typically asked about the County's finances is "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position. This change in net position is important because it tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some

Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, and other factors.

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

- **Governmental Activities** - Most of the County's programs and services are reported here including human services, health, public safety, public works, conservation and recreation, economic development and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and state grants and other shared revenues.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The County's landfill fund is reported as a business-type activity.

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The County uses many funds to account for financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the general fund, motor vehicle and gasoline tax fund, job and family services fund, alcohol, drug addiction and mental health services fund, developmental disabilities fund, children's services fund and the capital projects fund.

Governmental Funds Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance future services. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds The County's proprietary funds consist of enterprise funds. Enterprise funds use the accrual basis of accounting and are used to report the same functions presented as business-type activities on the government-wide financial statements.

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

Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the County's progress in funding obligation to provide pension benefits to its employees.

The County as a Whole

Recall that the Statement of Net Position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2024 compared to 2023:

Table 1
Net Position

	Governmental Activities			Business-Type Activities		
	2024	2023	Change	2024	2023	Change
Assets						
Current & Other Assets	\$ 74,661,451	\$ 67,260,659	\$ 7,400,792	\$ 1,187,835	\$ 1,213,435	\$ (25,600)
Net Pension/OPEB Asset	976,505	178,981	797,524	-	-	-
Capital Assets	40,479,871	39,993,942	485,929	131,808	61,465	70,343
<i>Total Assets</i>	<u>116,117,827</u>	<u>107,433,582</u>	<u>8,684,245</u>	<u>1,319,643</u>	<u>1,274,900</u>	<u>44,743</u>
Deferred Outflows of Resources						
Pension & OPEB	9,698,271	14,006,405	(4,308,134)	-	-	-
<i>Total Deferred Outflows of Resources</i>	<u>9,698,271</u>	<u>14,006,405</u>	<u>(4,308,134)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities						
Current & Other Liabilities	4,820,112	5,865,251	(1,045,139)	41,963	19,917	22,046
Long-Term Liabilities:						
Due Within One Year	1,510,534	424,923	1,085,611	104,409	89,787	14,622
Due In More Than One Year:						
Net Pension Liability	27,311,958	29,565,307	(2,253,349)	-	-	-
Net OPEB Liability	-	592,645	(592,645)	-	-	-
Other Amounts	2,550,145	1,159,950	1,390,195	607,471	711,880	(104,409)
<i>Total Liabilities</i>	<u>36,192,749</u>	<u>37,608,076</u>	<u>(1,415,327)</u>	<u>753,843</u>	<u>821,584</u>	<u>(67,741)</u>
Deferred Inflows of Resources						
Property Taxes	14,598,714	11,704,734	2,893,980	-	-	-
Pension & OPEB	752,225	515,896	236,329	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>15,350,939</u>	<u>12,220,630</u>	<u>3,130,309</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position						
Net Investment in Capital Assets	40,472,937	39,896,044	576,893	131,808	61,465	70,343
Restricted	29,356,760	27,934,196	1,422,564	-	-	-
Unrestricted	4,442,713	3,781,041	661,672	433,992	391,851	42,141
<i>Total Net Position</i>	<u>\$ 74,272,410</u>	<u>\$ 71,611,281</u>	<u>\$ 2,661,129</u>	<u>\$ 565,800</u>	<u>\$ 453,316</u>	<u>\$ 112,484</u>

The net pension liability (NPL) is one of the largest liabilities reported by the County at December 31, 2024, and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27*. In a prior year, the County adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revised accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed

Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting net OPEB asset and deferred outflows related to pension and OPEB.

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

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

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

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

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

Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

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

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

Capital assets include land, land improvements, buildings, building improvements, roads, bridges, equipment, vehicles and construction in progress. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

OPERS experienced a decrease in unfunded pension liabilities during the most recent measurement period, largely driven by strong investment performance. While OPERS reported investment losses in the prior year, significant gains in the current year helped improve their funded positions. For OPERS, the shift from a net OPEB liability to a net OPEB asset was driven by a combination of favorable actuarial assumption changes and robust investment returns.

Aside from the changes related to pension/OPEB, there were several other changes of significance for governmental activities. Property taxes receivable increased due to an increase in valuation coupled with an increasingly large delinquency from the Rover Pipeline. The decrease in current and other liabilities can be attributed to a decrease in unearned revenue from ARPA monies received. The increase in due within one year and other amounts due in more than one year are due to the implementation of GASB 101 for compensated absences.

For business-type activities, the decrease in other long-term liabilities was primarily due to the change in the closure/postclosure liability.

Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

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

Table 2
Changes in Net Position

	Governmental Activities			Business-Type Activities		
	2024	2023	Change	2024	2023	Change
Revenues						
<i>Program Revenues</i>						
Charges for Services	\$ 5,076,072	\$ 5,700,994	\$ (624,922)	\$ 508,472	\$ 499,051	\$ 9,421
Operating Grants	20,895,213	21,297,375	(402,162)	10,000	55,861	(45,861)
Capital Grants	1,360,350	2,117,249	(756,899)	-	-	-
<i>Total Program Revenues</i>	<u>27,331,635</u>	<u>29,115,618</u>	<u>(1,783,983)</u>	<u>518,472</u>	<u>554,912</u>	<u>(36,440)</u>
General Revenues						
Property Taxes	15,658,654	13,001,287	2,657,367	-	-	-
Sales Tax	11,493,550	11,180,155	313,395	-	-	-
Other Local Taxes	611,609	410,043	201,566	-	-	-
Grants and Entitlements	1,711,698	2,055,218	(343,520)	-	-	-
Miscellaneous	7,311,375	7,160,574	150,801	15,942	11,445	4,497
<i>Total General Revenues</i>	<u>36,786,886</u>	<u>33,807,277</u>	<u>2,979,609</u>	<u>15,942</u>	<u>11,445</u>	<u>4,497</u>
<i>Total Revenues</i>	<u>64,118,521</u>	<u>62,922,895</u>	<u>1,195,626</u>	<u>534,414</u>	<u>566,357</u>	<u>(31,943)</u>
Program Expenses						
General Government						
Legislative and Executive	7,229,449	7,990,530	(761,081)	-	-	-
Judicial	3,702,086	3,435,615	266,471	-	-	-
Public Safety	12,084,914	11,081,878	1,003,036	-	-	-
Public Health	15,340,026	14,121,210	1,218,816	-	-	-
Human Services	11,089,719	10,826,425	263,294	-	-	-
Conservation and Recreation	52,680	23,380	29,300	-	-	-
Community and Economic Development	580,167	1,119,143	(538,976)	-	-	-
Public Works	7,846,955	6,683,899	1,163,056	-	-	-
Intergovernmental	1,297,304	645,727	651,577	-	-	-
Enterprise Operations						
Landfill	-	-	-	421,930	418,079	3,851
<i>Total Expenses</i>	<u>59,228,477</u>	<u>55,927,807</u>	<u>3,300,670</u>	<u>421,930</u>	<u>418,079</u>	<u>3,851</u>
<i>Change in Net Position</i>	<u>4,890,044</u>	<u>6,995,088</u>	<u>(2,105,044)</u>	<u>112,484</u>	<u>148,278</u>	<u>(35,794)</u>
<i>Net Position Beginning of Year</i>	<u>69,382,366</u>	<u>64,616,193</u>	<u>4,766,173</u>	<u>453,316</u>	<u>305,038</u>	<u>148,278</u>
<i>Change in Accounting Principle (GASB 101)</i>	<u>-</u>	<u>(2,228,915)</u>	<u>2,228,915</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Position End of Year</i>	<u>\$ 74,272,410</u>	<u>\$ 69,382,366</u>	<u>\$ 2,661,129</u>	<u>\$ 565,800</u>	<u>\$ 453,316</u>	<u>\$ 112,484</u>

Governmental Activities

Governmental net position reported an overall increase from 2023. Although there are several non-operating factors that cause net position to increase or decrease (ex. capitalization and depreciation of capital assets, the issuance and retirement of long-term obligations and changes in the components of the net pension liability and net OPEB asset), there were operational areas during the year that contributed to the overall increase in net position.

General revenues primarily consist of property and sales tax revenue.

Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

For governmental activities, there was a decrease in total program revenues, mainly due to decreases in operating grants and charges for services. The increase in general revenues was generally due to the increase property taxes from an increase in valuations coupled with delinquent taxes due. The changes in overall expenses is due to increases in salaries and benefits as well as the fluctuations in pension expense.

The largest program function of the County is for public health, which mainly includes programs for developmental health in addition to alcohol and drug addiction programs.

Another of the largest program functions of the County is general government, which is made up of expenses for the legislative, executive and judicial branches of the County. These expenses include County operations and court operations and programs.

Business-Type Activities

Business-type activities consist of landfill operations. The revenues are generated primarily from charges for services.

Intergovernmental revenues decreased from prior year while operating revenues and expenses remained fairly consistent.

Financial Analysis of the County's Funds

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spending resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County Commissioners.

Changes in fund balances are as follows:

<u>Fund</u>	<u>Fund Balance</u>		
	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>Change</u>
General	\$ 12,688,311	\$ 15,059,815	\$ (2,371,504)
Motor Vehicle and Gasoline Tax	3,532,045	3,193,941	338,104
Job and Family Services	746,046	860,086	(114,040)
Alcohol, Drug Addiction and Men	3,576,992	2,998,511	578,481
Developmental Disabilities	5,349,999	6,419,183	(1,069,184)
Children's Services	(422,448)	(159,241)	(263,207)
Capital Projects	7,606,529	2,213,128	5,393,401

The general fund is the chief operating fund of the County. The fund balance of the general fund decreased during the current year mainly due to a transfers out to other funds.

Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

The Motor Vehicle and Gasoline Tax Fund had an increase in fund balance over the prior year. Revenues increased primarily due to more grant resources received for roads and bridges.

Fund balance decreased in the Job and Family Services Fund due to expenditures exceeding revenues in the current year.

Fund balance increased over the prior year as revenues exceeded expenditures for the Alcohol, Drug Addiction, and Mental Health Services Fund.

Fund balance decreased in the Developmental Disabilities fund as expenditures increased over prior year.

Fund balance in the Children's Services fund decreased from prior year as expenditures exceeded revenues.

Fund balance in the capital projects fund increased mainly due to a transfer in from general fund for future project expenditures.

Proprietary Funds

Net position increased in the Landfill Fund mainly due to a reduction in the closure/postclosure costs.

General Fund Budgeting Highlights

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

Original Budget Compared to Final Budget

Final estimated revenues were increased mainly for permissive sales taxes due as tourist activity continues to increase. Expenditures for general government and public safety were originally estimated lower than final budget. Final budgeted other financing uses were higher than original budget as transfers out were originally estimated lower.

Final Budget Compared to Actual Results

Actual expenditures were less than final budget with general government and public safety expenditures estimated higher.

Final budgeted other financing uses were higher than actual mainly due to an overestimation of transfers out, otherwise there were no significant variances to discuss within other financing sources and uses.

Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

In addition to the purchase of vehicles and equipment, major projects in the governmental activities during the current year include the following:

Completed projects:

- Jail Fire Alarm Replacement

Construction in progress:

- Health Department Remodel
- Courthouse Window Replacement

Capital asset additions in the business-type activities consisted of equipment and vehicles.

Capital assets increased overall with acquisitions exceeding disposals and depreciation/amortization on existing assets. Additional information on the County's capital assets can be found in Note 9.

Debt

At December 31, 2024, the County had an outstanding loan, in the amount of \$6,934.

The County's long-term obligations also include the net pension/OPEB liability, compensated absences, and landfill postclosure costs. For further information regarding the County's debt obligations refer to Note 14 to the basic financial statements.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's financial status. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Cindy Funk, Ashland County Auditor, 142 West Second Street, Ashland, Ohio 44805.

Ashland County, Ohio
Statement of Net Position
December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 41,624,168	\$ 1,149,353	\$ 42,773,521
Accounts Receivable	409,606	38,771	448,377
Sales Taxes Receivable	3,051,157	-	3,051,157
Due from Other Governments	5,110,170	-	5,110,170
Property Taxes Receivable	22,964,932	-	22,964,932
Other Local Taxes Receivable	20,632	-	20,632
Internal Balances	289	(289)	-
Prepaid Items	323,435	-	323,435
Materials and Supplies Inventory	1,157,062	-	1,157,062
Net OPEB Asset	976,505	-	976,505
Non-Depreciable Capital Assets	3,106,971	61,465	3,168,436
Depreciable Capital Assets, net	37,372,900	70,343	37,443,243
<i>Total Assets</i>	<u>116,117,827</u>	<u>1,319,643</u>	<u>117,437,470</u>
Deferred Outflows of Resources			
Pension	8,919,290	-	8,919,290
OPEB	778,981	-	778,981
<i>Total Deferred Outflows of Resources</i>	<u>9,698,271</u>	<u>-</u>	<u>9,698,271</u>
Liabilities			
Accounts Payable	1,545,101	35,759	1,580,860
Accrued Wages Payable	230,979	2,704	233,683
Payroll Withholdings Payable	474,258	-	474,258
Due to Other Governments	292,811	3,500	296,311
Unearned Revenue	2,276,963	-	2,276,963
Long-Term Liabilities:			
Due Within One Year	1,510,534	104,409	1,614,943
Due In More Than One Year:			
Net Pension Liability	27,311,958	-	27,311,958
Other Amounts Due in More Than One Year	2,550,145	607,471	3,157,616
<i>Total Liabilities</i>	<u>36,192,749</u>	<u>753,843</u>	<u>36,946,592</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	14,598,714	-	14,598,714
Pension	158,608	-	158,608
OPEB	593,617	-	593,617
<i>Total Deferred Inflows of Resources</i>	<u>15,350,939</u>	<u>-</u>	<u>15,350,939</u>
Net Position			
Net Investment in Capital Assets	40,472,937	131,808	40,604,745
Restricted for:			
Capital Outlay	45	-	45
Public Works	5,676,798	-	5,676,798
Alcohol, Drug Addiction and Mental Health Services	4,297,575	-	4,297,575
Developmental Disabilities	8,383,895	-	8,383,895
Real Estate Assessment	1,579,971	-	1,579,971
County Jail	1,269,083	-	1,269,083
OPEB	976,505	-	976,505
Other Purposes	7,172,888	-	7,172,888
Unrestricted	4,442,713	433,992	4,876,705
<i>Total Net Position</i>	<u>\$ 74,272,410</u>	<u>\$ 565,800</u>	<u>\$ 74,838,210</u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio
Statement of Activities
For the Year Ended December 31, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government							
Legislative and Executive	\$ 7,229,449	\$ 3,178,606	\$ 5,240	\$ -	\$ (4,045,603)	\$ -	\$ (4,045,603)
Judicial	3,702,086	860,795	553,070	195,584	(2,092,637)	-	(2,092,637)
Public Safety	12,084,914	543,948	359,827	-	(11,181,139)	-	(11,181,139)
Public Health	15,340,026	214,116	5,704,933	104,361	(9,316,616)	-	(9,316,616)
Human Services	11,089,719	228,831	5,969,001	-	(4,891,887)	-	(4,891,887)
Conservation and Recreation	52,680	-	-	9,060	(43,620)	-	(43,620)
Community and Economic Development	580,167	-	143,894	-	(436,273)	-	(436,273)
Public Works	7,846,955	49,776	7,016,593	1,051,345	270,759	-	270,759
Intergovernmental	1,297,304	-	1,142,655	-	(154,649)	-	(154,649)
Other	5,177	-	-	-	(5,177)	-	(5,177)
<i>Total Governmental Activities</i>	<u>59,228,477</u>	<u>5,076,072</u>	<u>20,895,213</u>	<u>1,360,350</u>	<u>(31,896,842)</u>	<u>-</u>	<u>(31,896,842)</u>
Business-Type Activities							
Landfill	421,930	508,472	10,000	-	-	96,542	96,542
<i>Total Business-Type Activities</i>	<u>421,930</u>	<u>508,472</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>96,542</u>	<u>96,542</u>
<i>Total</i>	<u>\$ 59,650,407</u>	<u>\$ 5,584,544</u>	<u>\$ 20,905,213</u>	<u>\$ 1,360,350</u>	<u>(31,896,842)</u>	<u>96,542</u>	<u>(31,800,300)</u>
General Revenues							
Property Taxes Levied for:							
General Purposes					5,342,390	-	5,342,390
Alcohol, Drug Addiction and Mental Health Services					1,485,848	-	1,485,848
Developmental Disabilities					5,737,881	-	5,737,881
Children's Services					1,530,508	-	1,530,508
Senior Citizens					1,562,027	-	1,562,027
Sales Tax Levied for:							
General Purposes					8,688,700	-	8,688,700
County Jail Operations					2,261,331	-	2,261,331
Capital Projects					543,519	-	543,519
Other Local Taxes					611,609	-	611,609
Grants and Entitlements not Restricted to Specific Programs					1,711,698	-	1,711,698
Investment Earnings					2,343,573	-	2,343,573
Miscellaneous					4,967,802	15,942	4,983,744
<i>Total General Revenues</i>					<u>36,786,886</u>	<u>15,942</u>	<u>36,802,828</u>
<i>Change in Net Position</i>					4,890,044	112,484	5,002,528
Net Position Beginning of Year, as previously presented					71,611,281	453,316	72,064,597
Change in Accounting Principle (GASB 101)					(2,228,915)	-	(2,228,915)
Net Position, as restated					<u>69,382,366</u>	<u>453,316</u>	<u>69,835,682</u>
<i>Net Position End of Year</i>					<u>\$ 74,272,410</u>	<u>\$ 565,800</u>	<u>\$ 74,838,210</u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio

Balance Sheet

Governmental Funds

December 31, 2024

	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Alcohol, Drug Addiction and Mental Health Services	Developmental Disabilities
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 12,271,202	\$ 1,877,548	\$ 363,836	\$ 3,776,007	\$ 5,558,217
Restricted Equity in Pooled Cash and Cash Equivalents	78,616	-	-	-	-
Accounts Receivable	26,768	1,512	-	-	342
Sales Taxes Receivable	2,344,126	-	-	-	-
Due from Other Governments	816,159	3,149,732	144,362	63,877	292,470
Property Taxes Receivable	7,854,969	-	-	2,147,791	8,596,877
Other Local Taxes Receivable	-	-	-	-	-
Interfund Receivable	82,071	-	452,127	-	-
Prepaid Items	323,435	-	-	-	-
Materials and Supplies Inventory	82,427	1,060,091	-	-	8,400
<i>Total Assets</i>	<u>\$ 23,879,773</u>	<u>\$ 6,088,883</u>	<u>\$ 960,325</u>	<u>\$ 5,987,675</u>	<u>\$ 14,456,306</u>
Liabilities					
Accounts Payable	\$ 309,448	\$ 93,094	\$ 121,008	\$ 184,284	\$ 205,072
Accrued Wages Payable	86,143	48,917	42,400	8,366	18,021
Payroll Withholdings Payable	474,258	-	-	-	-
Due to Other Governments	163,554	24,970	32,659	4,684	29,748
Interfund Payable	-	10,172	18,212	1,681	33,883
Unearned Revenue	-	-	-	-	-
<i>Total Liabilities</i>	<u>1,033,403</u>	<u>177,153</u>	<u>214,279</u>	<u>199,015</u>	<u>286,724</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	4,993,372	-	-	1,365,342	5,465,000
Unavailable Revenue	5,164,687	2,379,685	-	846,326	3,354,583
<i>Total Deferred Inflows of Resources</i>	<u>10,158,059</u>	<u>2,379,685</u>	<u>-</u>	<u>2,211,668</u>	<u>8,819,583</u>
Fund Balances					
Nonspendable	484,478	1,060,091	-	-	8,400
Restricted	108,938	2,471,954	746,046	3,576,992	5,341,599
Committed	539,081	-	-	-	-
Assigned	2,885,599	-	-	-	-
Unassigned	8,670,215	-	-	-	-
<i>Total Fund Balance</i>	<u>12,688,311</u>	<u>3,532,045</u>	<u>746,046</u>	<u>3,576,992</u>	<u>5,349,999</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 23,879,773</u>	<u>\$ 6,088,883</u>	<u>\$ 960,325</u>	<u>\$ 5,987,675</u>	<u>\$ 14,456,306</u>

See accompanying notes to the basic financial statements.

Children's Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 870,233	\$ 7,398,803	\$ 9,429,706	\$ 41,545,552
-	-	-	78,616
-	-	380,984	409,606
-	97,672	609,359	3,051,157
99,769	374,569	169,232	5,110,170
2,139,388	-	2,225,907	22,964,932
-	-	20,632	20,632
-	-	40,019	574,217
-	-	-	323,435
-	-	6,144	1,157,062
<u>\$ 3,109,390</u>	<u>\$ 7,871,044</u>	<u>\$ 12,881,983</u>	<u>\$ 75,235,379</u>
\$ 318,231	\$ 8,750	\$ 305,214	\$ 1,545,101
-	-	27,132	230,979
-	-	-	474,258
-	-	37,196	292,811
390,417	-	119,563	573,928
633,291	-	1,643,672	2,276,963
<u>1,341,939</u>	<u>8,750</u>	<u>2,132,777</u>	<u>5,394,040</u>
1,360,000	-	1,415,000	14,598,714
829,899	255,765	1,675,001	14,505,946
<u>2,189,899</u>	<u>255,765</u>	<u>3,090,001</u>	<u>29,104,660</u>
-	-	6,144	1,559,113
-	-	7,641,331	19,886,860
-	7,606,529	28,644	8,174,254
-	-	-	2,885,599
(422,448)	-	(16,914)	8,230,853
<u>(422,448)</u>	<u>7,606,529</u>	<u>7,659,205</u>	<u>40,736,679</u>
<u>\$ 3,109,390</u>	<u>\$ 7,871,044</u>	<u>\$ 12,881,983</u>	<u>\$ 75,235,379</u>

See accompanying notes to the basic financial statements.

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Ashland County, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2024*

Total Governmental Fund Balances		\$ 40,736,679
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		40,479,871
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 8,366,218	
Intergovernmental	3,677,276	
Charges for Services	381,171	
Sales Tax	2,054,751	
Other	<u>26,530</u>	14,505,946
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	976,505	
Deferred Outflows - Pension	8,919,290	
Deferred Outflows - OPEB	778,981	
Net Pension Liability	(27,311,958)	
Deferred Inflows - Pension	(158,608)	
Deferred Inflows - OPEB	<u>(593,617)</u>	(17,389,407)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Loans Payable	(6,934)	
Compensated Absences	<u>(4,053,745)</u>	(4,060,679)
<i>Net Position of Governmental Activities</i>		<u><u>\$ 74,272,410</u></u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2024

	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Alcohol, Drug Addiction and Mental Health Services	Developmental Disabilities
Revenues					
Property Taxes	\$ 4,091,908	\$ -	\$ -	\$ 1,108,069	\$ 4,636,917
Sales Tax	8,657,130	-	-	-	-
Other Local Taxes	8,264	191,438	-	-	-
Charges for Services	2,664,327	-	-	-	-
Licenses and Permits	356,501	-	-	-	-
Fines and Forfeitures	71,873	49,776	-	-	-
Intergovernmental	1,731,089	7,065,835	2,603,136	3,344,229	2,276,741
Investment Income	2,380,154	76,325	-	-	81,985
Miscellaneous	959,343	89,730	1,778,174	145,262	930,369
<i>Total Revenues</i>	<u>20,920,589</u>	<u>7,473,104</u>	<u>4,381,310</u>	<u>4,597,560</u>	<u>7,926,012</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	6,432,468	-	-	-	-
Judicial	2,573,872	-	-	-	-
Public Safety	7,880,216	-	-	-	-
Public Health	250,089	-	-	4,019,079	8,995,196
Human Services	461,736	-	4,567,078	-	-
Conservation and Recreation	30,000	-	-	-	-
Community and Economic Development	-	-	-	-	-
Public Works	92,186	7,135,000	-	-	-
Intergovernmental	124,370	-	-	-	-
Other	5,177	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	10,000	-	-
<i>Total Expenditures</i>	<u>17,850,114</u>	<u>7,135,000</u>	<u>4,577,078</u>	<u>4,019,079</u>	<u>8,995,196</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,070,475</u>	<u>338,104</u>	<u>(195,768)</u>	<u>578,481</u>	<u>(1,069,184)</u>
Other Financing Sources (Uses)					
Transfers In	-	-	81,728	-	-
Transfers Out	(5,441,979)	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(5,441,979)</u>	<u>-</u>	<u>81,728</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(2,371,504)</u>	<u>338,104</u>	<u>(114,040)</u>	<u>578,481</u>	<u>(1,069,184)</u>
Fund Balances, as previously presented	15,059,815	3,193,941	860,086	2,998,511	6,419,183
Change within financial reporting entity:					
Nonmajor to Major Fund	-	-	-	-	-
Major to NonMajor Fund	-	-	-	-	-
Fund Balances, as adjusted	15,059,815	3,193,941	860,086	2,998,511	6,419,183
<i>Fund Balances End of Year</i>	<u>\$ 12,688,311</u>	<u>\$ 3,532,045</u>	<u>\$ 746,046</u>	<u>\$ 3,576,992</u>	<u>\$ 5,349,999</u>

See accompanying notes to the basic financial statements.

Children's Services	Capital Projects	Formerly Major Fund American Rescue Plan	Other Governmental Funds	Total Governmental Funds
\$ 1,341,106	\$ -	\$ -	\$ 1,341,106	\$ 12,519,106
-	542,203	-	2,254,113	11,453,446
-	-	-	411,907	611,609
-	-	-	1,302,051	3,966,378
-	-	-	309,368	665,869
-	-	-	355,499	477,148
2,350,706	659,855	-	3,805,214	23,836,805
-	-	-	151,152	2,689,616
389,352	28,668	-	766,996	5,087,894
4,081,164	1,230,726	-	10,697,406	61,307,871
-	-	-	700,579	7,133,047
-	-	-	956,383	3,530,255
-	-	-	3,341,275	11,221,491
-	-	-	1,945,482	15,209,846
4,344,371	-	-	1,390,994	10,764,179
-	-	-	9,300	39,300
-	-	-	580,167	580,167
-	-	-	40,000	7,267,186
-	-	-	1,172,934	1,297,304
-	-	-	-	5,177
-	1,037,325	-	471,293	1,508,618
-	-	-	-	10,000
4,344,371	1,037,325	-	10,608,407	58,566,570
(263,207)	193,401	-	88,999	2,741,301
-	5,200,000	-	160,251	5,441,979
-	-	-	-	(5,441,979)
-	5,200,000	-	160,251	-
(263,207)	5,393,401	-	249,250	2,741,301
-	-	-	9,463,842	37,995,378
(159,241)	2,213,128	-	(2,053,887)	-
-	-	-	-	-
(159,241)	2,213,128	-	7,409,955	37,995,378
\$ (422,448)	\$ 7,606,529	\$ -	\$ 7,659,205	\$ 40,736,679

See accompanying notes to the basic financial statements.

Ashland County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2024*

Net Change in Fund Balances - Total Governmental Funds	\$ 2,741,301
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital Asset Additions	\$ 3,745,490
Current Year Depreciation	<u>(3,208,607)</u>
	536,883
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(50,954)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property Taxes	3,139,548
Intergovernmental	(203,627)
Charges for Services	(111,159)
Sales Tax	40,104
Interest Receivable	(62,326)
Other	<u>8,110</u>
	2,810,650
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Loans Payable	10,000
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	2,342,154
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.	
Pension	(3,371,760)
OPEB	<u>128,661</u>
	(3,243,099)
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated Absences	<u>(256,891)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 4,890,044</u></u>

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 3,656,000	\$ 4,156,000	\$ 4,152,155	\$ (3,845)
Sales Tax	7,500,000	8,650,000	8,604,708	(45,292)
Other Local Taxes	6,000	6,000	8,264	2,264
Charges for Services	1,930,900	2,414,150	2,446,825	32,675
Licenses and Permits	2,780	2,780	3,430	650
Fines and Forfeitures	68,900	68,900	77,639	8,739
Intergovernmental	1,546,643	1,891,643	1,851,251	(40,392)
Investment Income	1,000,002	2,475,027	2,607,554	132,527
Miscellaneous	564,300	1,048,007	882,686	(165,321)
<i>Total Revenues</i>	<u>16,275,525</u>	<u>20,712,507</u>	<u>20,634,512</u>	<u>(77,995)</u>
Expenditures				
Current:				
General Government				
Legislative and Executive	6,828,559	7,092,777	6,599,913	492,864
Judicial Systems	2,615,257	2,819,982	2,458,948	361,034
Public Safety	7,833,371	8,226,035	7,809,332	416,703
Public Works	93,755	93,755	91,049	2,706
Public Health	293,915	294,095	246,342	47,753
Human Services	590,354	590,354	454,672	135,682
Conservation and Recreation	30,000	30,000	30,000	-
<i>Total Expenditures</i>	<u>18,285,211</u>	<u>19,146,998</u>	<u>17,690,256</u>	<u>1,456,742</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,009,686)</u>	<u>1,565,509</u>	<u>2,944,256</u>	<u>1,378,747</u>
Other Financing Sources (Uses)				
Other Financing Sources	-	75,000	77,149	2,149
Transfers In	7,000	77,000	74,459	(2,541)
Transfers Out	(1,025,000)	(6,329,459)	(5,959,852)	369,607
<i>Total Other Financing Sources (Uses)</i>	<u>(1,018,000)</u>	<u>(6,177,459)</u>	<u>(5,808,244)</u>	<u>369,215</u>
<i>Net Change in Fund Balance</i>	<u>(3,027,686)</u>	<u>(4,611,950)</u>	<u>(2,863,988)</u>	<u>1,747,962</u>
<i>Fund Balance Beginning of Year</i>	<u>13,590,907</u>	<u>13,590,907</u>	<u>13,590,907</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>124,393</u>	<u>124,393</u>	<u>124,393</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 10,687,614</u>	<u>\$ 9,103,350</u>	<u>\$ 10,851,312</u>	<u>\$ 1,747,962</u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other Local Taxes	\$ 200,000	\$ 207,249	\$ 207,249	\$ -
Fines and Forfeitures	45,000	57,000	53,509	(3,491)
Intergovernmental	6,700,000	6,750,000	6,726,317	(23,683)
Investment Income	50,000	70,000	76,325	6,325
Miscellaneous	59,000	79,000	91,013	12,013
<i>Total Revenues</i>	<u>7,054,000</u>	<u>7,163,249</u>	<u>7,154,413</u>	<u>(8,836)</u>
Expenditures				
Current:				
Public Works	<u>8,708,738</u>	<u>8,708,439</u>	<u>6,982,309</u>	<u>1,726,130</u>
<i>Net Change in Fund Balance</i>	(1,654,738)	(1,545,190)	172,104	1,717,294
<i>Fund Balance Beginning of Year</i>	1,523,706	1,523,706	1,523,706	-
Prior Year Encumbrances Appropriated	<u>179,738</u>	<u>179,738</u>	<u>179,738</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 48,706</u>	<u>\$ 158,254</u>	<u>\$ 1,875,548</u>	<u>\$ 1,717,294</u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Job and Family Services Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 3,000,000	\$ 3,000,000	\$ 2,837,728	(162,272)
Miscellaneous	65,000	65,000	1,778,174	1,713,174
<i>Total Revenues</i>	<u>3,065,000</u>	<u>3,065,000</u>	<u>4,615,902</u>	<u>1,550,902</u>
Expenditures				
Current:				
Human Services	4,840,000	4,915,000	4,523,161	391,839
Debt Service:				
Principal Retirement	10,000	10,000	10,000	-
<i>Total Expenditures</i>	<u>4,850,000</u>	<u>4,925,000</u>	<u>4,533,161</u>	<u>391,839</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,785,000)</u>	<u>(1,860,000)</u>	<u>82,741</u>	<u>1,942,741</u>
Other Financing Sources (Uses)				
Transfers In	<u>1,785,000</u>	<u>1,785,000</u>	<u>81,728</u>	<u>(1,703,272)</u>
<i>Net Change in Fund Balance</i>	-	(75,000)	164,469	239,469
<i>Fund Balance Beginning of Year</i>	<u>199,367</u>	<u>199,367</u>	<u>199,367</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 199,367</u>	<u>\$ 124,367</u>	<u>\$ 363,836</u>	<u>\$ 239,469</u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Alcohol, Drug Addiction and Mental Health Services Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 1,002,500	\$ 1,252,500	\$ 1,124,370	\$ (128,130)
Intergovernmental	2,922,339	3,672,340	3,540,006	(132,334)
Miscellaneous	149,207	149,207	145,262	(3,945)
<i>Total Revenues</i>	<u>4,074,046</u>	<u>5,074,047</u>	<u>4,809,638</u>	<u>(264,409)</u>
Expenditures				
Current:				
Public Health	<u>4,678,763</u>	<u>4,700,764</u>	<u>4,825,178</u>	<u>(124,414)</u>
<i>Net Change in Fund Balance</i>	(604,717)	373,283	(15,540)	(388,823)
<i>Fund Balance Beginning of Year</i>	2,535,946	2,535,946	2,535,946	-
Prior Year Encumbrances Appropriated	<u>549,017</u>	<u>549,017</u>	<u>549,017</u>	-
<i>Fund Balance End of Year</i>	<u>\$ 2,480,246</u>	<u>\$ 3,458,246</u>	<u>\$ 3,069,423</u>	<u>\$ (388,823)</u>

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 5,010,000	\$ 5,010,000	\$ 4,705,427	\$ (304,573)
Intergovernmental	2,473,293	2,473,293	2,219,691	(253,602)
Investment Income	35,000	86,000	81,985	(4,015)
Miscellaneous	640,500	640,505	943,581	303,076
<i>Total Revenues</i>	<u>8,158,793</u>	<u>8,209,798</u>	<u>7,950,684</u>	<u>(259,114)</u>
Expenditures				
Current:				
Public Health	<u>8,046,011</u>	<u>9,097,616</u>	<u>8,891,634</u>	<u>205,982</u>
<i>Net Change in Fund Balance</i>	112,782	(887,818)	(940,950)	(53,132)
<i>Fund Balance Beginning of Year</i>	6,492,321	6,492,321	6,492,321	-
Prior Year Encumbrances Appropriated	<u>6,846</u>	<u>6,846</u>	<u>6,846</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 6,611,949</u>	<u>\$ 5,611,349</u>	<u>\$ 5,558,217</u>	<u>\$ (53,132)</u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Children's Services Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 1,353,000	\$ 1,353,000	\$ 1,360,505	\$ 7,505
Intergovernmental	2,400,000	2,600,000	2,524,612	(75,388)
Miscellaneous	272,100	350,400	389,352	38,952
<i>Total Revenues</i>	<u>4,025,100</u>	<u>4,303,400</u>	<u>4,274,469</u>	<u>(28,931)</u>
Expenditures				
Current:				
Human Services	<u>4,027,014</u>	<u>4,220,514</u>	<u>4,201,590</u>	<u>18,924</u>
<i>Net Change in Fund Balance</i>	(1,914)	82,886	72,879	(10,007)
<i>Fund Balance Beginning of Year</i>	797,326	797,326	797,326	-
Prior Year Encumbrances Appropriated	<u>14</u>	<u>14</u>	<u>14</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 795,426</u>	<u>\$ 880,226</u>	<u>\$ 870,219</u>	<u>\$ (10,007)</u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio
Statement of Fund Net Position
Enterprise Fund
December 31, 2024

	Landfill
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$ 511,362
Accounts Receivable	38,771
<i>Total Current Assets</i>	<u>550,133</u>
<i>Non-Current Assets:</i>	
Restricted Assets:	
Equity in Pooled Cash and Investments	637,991
Non-Depreciable Capital Assets	61,465
Depreciable Capital Assets, Net	70,343
<i>Total Non-Current Assets</i>	<u>769,799</u>
<i>Total Assets</i>	<u>1,319,932</u>
Liabilities	
<i>Current Liabilities:</i>	
Accounts Payable	35,759
Accrued Wages Payable	2,704
Due to Other Governments	3,500
Interfund Payable	289
Landfill Closure and Postclosure Costs Payable	104,409
<i>Total Current Liabilities</i>	<u>146,661</u>
<i>Long-Term Liabilities:</i>	
Landfill Closure and Postclosure Costs Payable	607,471
<i>Total Liabilities</i>	<u>754,132</u>
Net Position	
Net Investment in Capital Assets	131,808
Unrestricted	433,992
<i>Total Net Position</i>	<u>\$ 565,800</u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Fund.
For the Year Ended December 31, 2024

	<u>Landfill</u>
Operating Revenues	
Charges for Services	\$ 508,472
Other	<u>15,942</u>
<i>Total Operating Revenues</i>	<u>524,414</u>
 Operating Expenses	
Personal Services	170,944
Contractual Services	243,789
Materials and Supplies	1,017
Depreciation	<u>6,180</u>
<i>Total Operating Expenses</i>	<u>421,930</u>
 <i>Operating Income (Loss)</i>	<u>102,484</u>
 Non-Operating Revenues (Expenses)	
Intergovernmental	<u>10,000</u>
 <i>Change in Net Position</i>	112,484
 <i>Net Position Beginning of Year</i>	<u>453,316</u>
 <i>Net Position End of Year</i>	<u><u>\$ 565,800</u></u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio
Statement of Cash Flows
Enterprise Fund
For the Year Ended December 31, 2024

	Landfill
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 509,317
Cash Received from Other Operating Receipts	15,942
Cash Payments to Suppliers for Goods and Services	(1,017)
Cash Payments to Employees for Services and Benefits	(178,539)
Cash Payments for Contractual Services	(304,032)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>41,671</u>
Cash Flows from Noncapital Financing Activities	
Intergovernmental Revenue	10,000
<i>Net Cash Provided by (Used for)</i> <i>Noncapital Financing Activities</i>	<u>10,000</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(76,523)
<i>Net Cash Provided by (Used for) Capital and</i> <i>Related Financing Activities</i>	<u>(76,523)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(24,852)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,174,205</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$ 1,149,353</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	\$ 102,484
Adjustments:	
Depreciation	6,180
(Increase) Decrease in Assets and Deferred Outflows:	
Accounts Receivable	845
Increase (Decrease) in Liabilities and Deferred Inflows:	
Accounts Payable	19,382
Accrued Wages	104
Due to Other Governments	2,560
Interfund Payable	(97)
Landfill Closure and Postclosure Costs Payable	(89,787)
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u><u>\$ 41,671</u></u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Private Purpose Trust	Custodial
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 10,454	\$ 4,878,918
Cash and Cash Equivalents in Segregated Accounts	-	1,006,221
Property Taxes Receivable	-	112,665,669
Due from Other Governments	-	3,682,836
Special Assessments Receivable	-	913,143
<i>Total Assets</i>	<u>10,454</u>	<u>123,146,787</u>
Liabilities		
Due to Other Governments	-	6,729,609
Deferred Inflows of Resources		
Property Taxes Levied for the Next Year	-	71,621,107
Net Position		
Held in Trust for Children's Services	10,454	-
Restricted for Individuals, Organizations, and Other Governments	-	44,796,071
<i>Total Net Position</i>	<u>\$ 10,454</u>	<u>\$ 44,796,071</u>

See accompanying notes to the basic financial statements.

Ashland County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

	Private Purpose Trust	Custodial
Additions		
Interest	\$ 509	\$ -
Intergovernmental	-	6,727,019
Amounts Received as Fiscal Agent	-	3,015,765
Licenses, Permits & Fees for Other Governments	-	7,918,522
Fines & Forfeitures for Other Governments	-	102,010
Property Tax Collections for Other Governments	-	70,624,810
Special Assessment Collections for Other Governments	-	1,029,749
Sheriff Sale Collections for Other Governments	-	632,721
Amounts Received for Others	-	540,711
<i>Total Additions</i>	<u>509</u>	<u>90,591,307</u>
Deductions		
Distributions to Participants	974	-
Distributions as Fiscal Agent	-	3,514,433
Distributions of State Funds to Other Governments	-	7,722,362
Distributions to the State of Ohio	-	266,453
Licenses, Permits & Fees Distributions to Other Governments	-	7,834,055
Fines & Forfeitures Distributions to Other Governments	-	329,331
Property Tax Distributions to Other Governments	-	61,095,410
Special Assessment Distributions to Other Governments	-	796,537
Sheriff Sale Distributions to Other Governments	-	664,110
Distributions to Individuals	-	528,709
Other Distributions	-	110,293
<i>Total Deductions</i>	<u>974</u>	<u>82,861,693</u>
<i>Change in Net Position</i>	(465)	7,729,614
<i>Net Position Beginning of Year</i>	<u>10,919</u>	<u>37,066,457</u>
<i>Net Position End of Year</i>	<u>\$ 10,454</u>	<u>\$ 44,796,071</u>

See accompanying notes to the basic financial statements.

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Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 1 – REPORTING ENTITY

Ashland County, Ohio (the County) was created in 1846. 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 Probate/Juvenile Court Judge.

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

The 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.

Primary Government

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

Component Units

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

Discretely Presented Component Units

Ashland County Land Reutilization Corporation - The Ashland County Land Reutilization Corporation (Land Bank) was formed on September 21, 2017, when the Ashland County Commissioners authorized the incorporation of the Land Bank under Chapters 1724 and 1702 of the Ohio Revised Code through a resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Land Bank is to strengthen neighborhoods in the County by returning vacant and abandoned properties to productive use. The Land Bank has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax-foreclosed, or other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

The Land Bank is governed by a seven member Board of Directors consisting of two County Commissioners, the County Treasurer, one representative from the City of Ashland, one representative from the Village of Loudonville, and two representatives selected by the statutory directors. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the Land Bank and the management and control of its properties. Because the County makes up and/or appoints a voting majority of the Board of Directors, the County is able to impose its will on the operation of the Land Bank and the relationship between the primary government and the organization is such that exclusion would cause the County's financial statements to be misleading. However, the Land Bank has had no material financial activity since its inception and, as a result, no financial information is currently being presented.

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

Ashland County Soil and Water Conservation District
Ashland City-County Health Department
Local Emergency Planning Commission
Ashland County Family and Children First Council
Ashland County Park District

The County participates in several jointly governed organizations and insurance pools, and is associated with a related organization. These organizations are:

Jointly Governed Organizations

Northern Ohio Juvenile Community Corrections Facility - The Northern Ohio Juvenile Community Corrections Facility is a jointly governed organization between Ashland, Erie, Huron, Sandusky, and Seneca Counties. The Corrections Facility provides for juvenile rehabilitation and correction for juvenile offenders who would otherwise be eligible for commitment to the Ohio Department of Youth Services. The Corrections Facility is controlled by a governing board consisting of the juvenile court judge from each of the participating counties. Each County's ability to influence the operations of the Corrections Facility is limited to its representation on the governing board. Erie County serves as the fiscal agent.

Ashland Community Improvement Corporation - The County participates in the Ashland Community Improvement Corporation (CIC), a 501(c)(3) not-for-profit-corporation established under Ohio Revised Code Section 1724.10. The CIC administers the CDBG revolving loan program in conjunction with the City of Ashland revolving loan fund.

The CIC board consists of thirty members, two-fifths of whom are required by the Ohio Revised Code to be from the participating governments. Ashland County has one representative on the CIC board. Financial information can be obtained from the Ashland Community Improvement Corporation, 47 West Main Street, Ashland, Ohio 44805.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Ashland Area Council for Economic Development - The Ashland Area Council for Economic Development (Council) is a jointly governed organization between Ashland County and the City of Ashland. The Council was organized to undertake joint programs for economic development in the Ashland County area. The Council's board consists of the President of Council from the City of Ashland, a representative appointed by City Council, a member of the Board of County Commissioners, and a representative appointed by the Board of County Commissioners. Each term is for three years. In 2024, the County contributed \$49,000 to the Council. Financial information can be obtained from the Ashland Area Council for Economic Development, 206 Claremont Avenue, Ashland, Ohio 44805.

Insurance Pools

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

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

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

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

County Employee Benefits Consortium of Ohio, Inc. - The County participates with the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), an Ohio not-for-profit corporation with membership open to Ohio political subdivisions to collectively pool resources to purchase employee benefits. The County pays, on a monthly basis, the annual actuarially determined funding rate. Components of the funding rate include the claims fund contribution, incurred but not reported claims, a claims contingency reserve fund, as well as the fixed costs of the consortium.

The business and affairs of the consortium are managed by a board of not less than nine or more than fifteen directors that exercise all powers of the consortium. Two-thirds of the directors are county commissioners of the member counties and one-third are employees of the member counties. Each member of the

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

consortium is entitled to one vote. At all times, one director is required to be a member of the board of directors of the County Commissioners' Association of Ohio and another is required to be a board member of the County Risk Sharing Authority, Inc.

Related Organization

The Ashland County Airport Authority was created by resolution of the County Commissioners under the authority of Chapter 308 of the Ohio Revised Code. The Airport Authority is governed by a five member board of trustees appointed by the County Commissioners. The Board of Trustees has the authority to exercise all of the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage, and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. The Airport Authority serves as custodian of its own funds and maintains all records and accounts independent of Ashland County.

Although the County has no obligation to provide financial resources to the airport, the County Commissioners have in prior years allocated certain funds to the Airport Authority. In 2024, this allocation was \$30,000.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. Other interfund services provided and used are not eliminated in the process of consolidation.

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

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

Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and 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 accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Motor Vehicle and Gasoline Tax Fund - This fund accounts for state grants and gasoline taxes and the sale of motor vehicle licenses restricted by State law to County road and bridge repair/improvement programs.

Job and Family Services Fund - This fund accounts for federal, state, and local monies restricted to providing general relief and to pay providers of medical assistance and social services.

Alcohol, Drug Addiction and Mental Health Services (ADAMHS) Fund - This fund accounts for a county-wide property tax levy and federal and state grants restricted to paying the costs of contracts with local mental health agencies that provide services to the public.

Developmental Disabilities Fund - This fund accounts for a county-wide property tax levy and federal and state grants restricted for the operation of resident homes for the developmentally disabled.

Children's Services Fund - This fund accounts for a county-wide property tax levy and federal and state grants restricted to administering the Children's Services Bureau.

Capital Projects Fund - This fund accounts for sales tax and other revenues received from resources of the County committed for improvements.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

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

Landfill Fund - This fund accounts for ongoing postclosure activities at the landfill, which closed in 1997. In addition, the fund receives a remittance on the fees collected by the landfill in Richland County for the dumping of Ashland County waste.

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 for individuals, private organizations, or other governments and are not available to support the County's own programs.

The County's private purpose trust fund accounts for financial assistance to children in foster care. Custodial funds are used to account for assets held by the County as fiscal agent for the Board of Health and other districts and entities; for various taxes, assessments, fines and fees collected for the benefit of and distributed to other governments; and for State shared resources received from the State and distributed to other local governments.

Measurement Focus

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

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

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

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

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

Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within 31 days after year end.

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

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes; charges for services; fines and forfeitures; state-levied locally shared taxes (including gasoline tax and motor vehicle license fees); grants; and interest.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met because these amounts have not yet been earned.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024 but which were levied to finance 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue may include delinquent property taxes, special assessments, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13).

Expenses/Expenditures On the accrual basis, expenses are recognized at the time they are incurred.

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

Budgetary Process

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

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

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.”

Investments of the County’s cash management pool and investments with an original maturity of three months or less at the time they are purchased by the County are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported at fair value. Nonnegotiable certificates of deposit are reported at cost.

Cash and cash equivalents that are held separately are recorded as “Cash and Cash Equivalents in Segregated Accounts.”

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

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

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest in the general fund during 2024 amounted to \$2,380,154, which includes \$1,634,561 assigned from other County funds.

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Prepaid Items

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

Inventory

With the exception of the Motor Vehicle and Gasoline Tax special revenue fund, all inventory of the County is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory in the Motor Vehicle and Gasoline Tax special revenue fund is based on average cost. Inventory consists of expendable supplies held for consumption.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General fund represent money set aside for unclaimed monies. Monies required to be set aside for postclosure costs at the landfill are also reported as restricted in the Landfill fund.

Capital Assets

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

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition values on the date donated. The County was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year). The County maintains a capitalization threshold of fifteen thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. The County reports all infrastructure, including that acquired prior to 1980. Depreciation is computed using the straight-line method over the following useful lives:

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

	<u>Governmental Activities</u>
Land Improvements	20 - 50 Years
Buildings	40 - 125 Years
Building Improvements	20 - 50 Years
Roads	10 - 50 Years
Bridges	50 Years
Equipment	5 - 25 Years
Vehicles	5 - 20 Years

Interfund Receivables/Payables

On fund financial statements, outstanding interfund loans and unpaid amounts for internal services provided are reported as “Interfund Receivables/Payables”. Interfund balances are eliminated on the statement of net position, except for any net residual amounts due between governmental and business-type activities. These amounts are presented as “Internal Balances”.

Compensated Absences

For the County, compensated absences cover leave for which employees may receive cash payments either when used as time off or as a payout for unused leave upon termination of employment. These payments may occur during employment or at termination. Generally, compensated absences do not follow a fixed payment schedule.

Liabilities should be recognized for unused leave if it is attributable to services already rendered, the leave accumulates, and it is more likely than not that it will be used or paid out in cash. For the County, this includes sick, vacation, and comp time.

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

A key component in determining the estimate of the amount of accumulated compensated absences that will be used as time off is the flows assumption. The flows assumption determines whether leave used by employees will be attributed first to (a) the recognized liability at the date of the financial statements (a first-in, first-out (FIFO) flows assumption) or (b) the leave earned in the next reporting period (a last-in, first-out (LIFO) flows assumption). The County uses the FIFO flows assumption.

The amount of compensated absences recognized as expenditures in financial statements prepared using the current financial resources measurement focus should be the amount that normally would be liquidated with expendable available financial resources.

Accrued Liabilities and Long-Term Obligations

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily includes miscellaneous governmental activities. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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 governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (County resolutions).

Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance or resolution, as both are equally binding) of the County Commissioners. The committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

by the County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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 classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established and assigned by the County Commissioners. Fund balance policy of the County Commissioners authorizes department managers to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The County Commissioners have also assigned amounts to cover a gap between estimated resources and appropriations in the 2025 budget, for various capital improvements, for debt retirement, and other miscellaneous purposes.

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

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

Operating Revenues and Expenses

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

Capital Contributions

Capital contributions arise from contributions of capital assets from outside sources.

Interfund Transactions

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

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

Pensions/Other Postemployment Benefits (OPEB)

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

Estimates

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

Implementation of New Accounting Principles

For the year ended December 31, 2024, the County has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections-an* amendment of GASB Statement No. 62, and GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves 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 certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the County.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 was incorporated into the financial statements of the County.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. For the County, GASB Statement No. 101 increased the liability and the cumulative effects of compensated absences related expense on net position as shown on the table below.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Restatement of Fund Balance/Net Position

During 2024, the implementation of GASB Statement No. 100 and GASB Statement No. 101 had the following effects on beginning fund balances and net position:

	Reporting Units Affected by Restatements of Beginning Balances				
	Fund Balance				Government-Wide Net Position
	Children's Services Fund	Capital Projects Fund	American Rescue Plan Act Fund	Other Governmental Funds	Governmental Activities
12/31/2023, as previously reported	\$ -	\$ -	\$ -	\$ 9,463,842	\$ 71,611,281
Change in financial reporting entity:					
Accounting principle (GASB 101)	-	-	-	-	(2,228,915)
Nonmajor to major fund	(159,241)	2,213,128	-	(2,053,887)	-
Major to nonmajor fund	-	-	-	-	-
12/31/2023, as adjusted or restated	\$ (159,241)	\$ 2,213,128	\$ -	\$ 7,409,955	\$ 69,382,366

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Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 3 - FUND BALANCE

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

	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Alcohol, Drug Addiction, and Mental Health Services	Developmental Disabilities	Children Services	Capital Projects Facilities	Other Governmental Funds	Total
Nonspendable for:									
Inventory	\$ 82,427	\$ 1,060,091	\$ -	\$ -	\$ 8,400	\$ -	\$ -	\$ 6,144	\$ 1,157,062
Prepays	323,435	-	-	-	-	-	-	-	323,435
Unclaimed Monies	78,616	-	-	-	-	-	-	-	78,616
Total Nonspendable	484,478	1,060,091	-	-	8,400	-	-	6,144	1,559,113
Restricted for:									
Road and Bridge Repair/Improvement	-	2,471,954	-	-	-	-	-	-	2,471,954
Alcohol/Drug Addiction/Mental Health Services	-	-	-	3,576,992	-	-	-	-	3,576,992
Developmental Disabilities Operations	-	-	-	-	5,341,599	-	-	-	5,341,599
Job and Family Services Operations	-	-	746,046	-	-	-	-	255,426	1,001,472
Real Estate Assessment	-	-	-	-	-	-	-	1,599,303	1,599,303
Delinquent Tax Collections	-	-	-	-	-	-	-	164,471	164,471
Dog and Kennel Operations	-	-	-	-	-	-	-	147,349	147,349
Child Support Enforcement	-	-	-	-	-	-	-	1,385,256	1,385,256
Senior Citizens Services	-	-	-	-	-	-	-	1	1
Emergency Management Agency	-	-	-	-	-	-	-	946	946
Sheriff Operations	108,938	-	-	-	-	-	-	1,732,976	1,841,914
Court Operations	-	-	-	-	-	-	-	1,994,291	1,994,291
Youth Child Support/Juvenile Court	-	-	-	-	-	-	-	142,349	142,349
Crime Victims Assistance	-	-	-	-	-	-	-	10,885	10,885
Economic Development	-	-	-	-	-	-	-	98,668	98,668
Capital Projects	-	-	-	-	-	-	-	45	45
Coronavirus Relief	-	-	-	-	-	-	-	109,365	109,365
Total Restricted	108,938	2,471,954	746,046	3,576,992	5,341,599	-	-	7,641,331	19,886,860
Committed for:									
Employee Retirement Payouts	53,418	-	-	-	-	-	-	-	53,418
Title Administration	483,394	-	-	-	-	-	-	-	483,394
Bi/Tri Centennial	2,269	-	-	-	-	-	-	-	2,269
Road and Bridge Repair/Improvement	-	-	-	-	-	-	-	28,644	28,644
Capital Projects	-	-	-	-	-	-	7,606,529	-	7,606,529
Total Committed	539,081	-	-	-	-	-	7,606,529	28,644	8,174,254
Assigned for:									
Legislative & Executive	93,045	-	-	-	-	-	-	-	93,045
Public Safety	124,954	-	-	-	-	-	-	-	124,954
Subsequent Year Appropriations	2,410,731	-	-	-	-	-	-	-	2,410,731
Sheriff Operations	124,669	-	-	-	-	-	-	-	124,669
Document Recording	132,200	-	-	-	-	-	-	-	132,200
Total Assigned	2,885,599	-	-	-	-	-	-	-	2,885,599
Unassigned	8,670,215	-	-	-	-	(422,448)	-	(16,914)	8,230,853
Total Fund Balance	\$ 12,688,311	\$ 3,532,045	\$ 746,046	\$ 3,576,992	\$ 5,349,999	\$ (422,448)	\$ 7,606,529	\$ 7,659,205	\$ 40,736,679

Fund balances at December 31, 2024 included a fund deficit of \$16,914 in the CHIP fund.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

The deficits in this fund resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in this fund and will provide transfers when cash is required, not when accruals occur. The general fund is not liable for any fiduciary fund deficits.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual for the General Fund and the major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than a restriction, commitment or assignment of fund balance (GAAP).
4. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and major special revenue funds:

	General Fund	Motor Vehicle and Gasoline Tax Fund	Job and Family Services Fund	Alcohol, Drug Addiction and Mental Health Services Fund	Developmental Disabilities Fund	Children's Services
GAAP Basis	\$ (2,371,504)	\$ 338,104	\$ (114,040)	\$ 578,481	\$ (1,069,184)	\$ (263,207)
Net Adjustment for Revenue Accruals	408,799	(318,691)	234,592	212,078	24,672	193,305
Net Adjustment for Expenditure Accruals	(672,750)	154,691	43,917	(99,515)	103,562	142,781
Funds Budgeted Elsewhere **	4,907	-	-	-	-	-
Adjustment for Encumbrances	(233,440)	(2,000)	-	(706,584)	-	-
Budget Basis	<u>\$ (2,863,988)</u>	<u>\$ 172,104</u>	<u>\$ 164,469</u>	<u>\$ (15,540)</u>	<u>\$ (940,950)</u>	<u>\$ 72,879</u>

** As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate funds are considered part of the general fund on a GAAP basis. This includes employee retirement, unclaimed monies, sheriff rotary and policing, title department, tri-centennial, bi-centennial and county recorder funds.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 5 – DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet the current demands on the treasury. Such 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.

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

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.

Inactive monies may be invested or deposited in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligation 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;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
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 exchange similar securities, or cash, equal value for equal value;

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

9. Up to 40 percent of the County's average portfolio 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 rated at the time of purchase, which are rated in the highest qualification established by two nationally recognized standard rating services, which do not exceed 10 percent of the value of the outstanding commercial paper of the issuing corporation, and which mature within two hundred seventy days after purchase;
 - b. bankers acceptances eligible for purchase by the federal reserve system and which mature within one hundred eighty days after purchase;
10. Up to 15 percent of the County's average portfolio in notes issued by United States corporations or by depository institutions that are doing business under authority granted by the United States provided the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
11. 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 consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency or instrumentality, and/or highly rated commercial paper; and
12. Up to 2 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.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2024, \$1,548,303 of the County's total bank balance of \$5,725,045 was exposed to custodial credit risk as those deposits were uninsured and uncollateralized. Three of the County's financial institutions participating in the Ohio Pooled Collateral System (OPCS) were approved for a reduced collateral floor of 50 percent that resulted in a portion of the uninsured and uncollateralized balance.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

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

Investments

The County's investments at year end were as follows:

S&P Global Ratings	Investment Type	Measurement Value	Investment Maturities			Percent of Total
			12 Months or Less	12 to 36 Months	More Than 36 Months	
	Net Asset Value (NAV):					
AAAm	STAR Ohio	\$30,285,739	\$30,285,739	\$ -	\$ -	69.98%
	Fair Value:					
AA	Federal Agency Securities	12,993,600	2,492,445	9,502,115	999,040	30.02%
	Total Investments	<u>\$43,279,339</u>	<u>\$32,778,184</u>	<u>\$ 9,502,115</u>	<u>\$ 999,040</u>	<u>100.00%</u>

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

The above table identifies the County's recurring fair value measurements as of December 31, 2024. The County's fair value investments are Level 2 since valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the County from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the County. The investment policy also requires a minimum of 20 percent of the County's portfolio to mature in less than thirty days and no more than 30 percent may be invested beyond twelve months.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2024, is 27 days.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Credit Risk - The credit risk of the County's investments is in the table above. The County has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk - The County places no limit on the amount it may invest in any one issuer. The investment percentages are listed in the table.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2024, consisted of accounts (e.g., billings for user charged services, including unbilled charges); permissive sales taxes; intergovernmental receivables arising from grants, entitlements, and shared revenues; interfund; property and other local taxes and special assessments. Property taxes and special assessments, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

NOTE 7 – PERMISSIVE SALES AND USE TAX

The County Commissioners, by resolution, imposed a 1.25 percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles not subject to the sales tax. The allocation of the sales tax is 1 percent to the County's General Fund and .25 percent for the operations of the County Jail. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month.

NOTE 8 – PROPERTY TAXES

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

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

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

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

The full tax rate for all County operations for the year ended December 31, 2024, was \$10.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2024 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	
Residential	\$ 1,333,676,720
Agricultural	199,036,500
Public Utilities - Personal	<u>357,858,770</u>
Total	<u>\$ 1,890,571,990</u>

The County Treasurer collects property taxes on behalf of all taxing districts within the county, including the County. The County Auditor periodically remits to the County its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2024, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2024 operations is offset to deferred inflows of resources – property taxes levied for the next year. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 9 – CAPITAL ASSETS

A summary of changes in capital assets during 2024 follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$ 989,023	\$ -	\$ -	\$ 989,023
Construction in Progress	2,020,345	274,740	(177,137)	2,117,948
<i>Total Nondepreciable Capital Assets</i>	<u>3,009,368</u>	<u>274,740</u>	<u>(177,137)</u>	<u>3,106,971</u>
<i>Depreciable Capital Assets</i>				
Land Improvements	924,914	-	-	924,914
Buildings	24,140,380	-	-	24,140,380
Building Improvements	3,296,188	-	-	3,296,188
Roads	55,575,863	1,527,722	(275,092)	56,828,493
Bridges	18,869,225	943,513	-	19,812,738
Equipment	6,372,563	727,950	(31,850)	7,068,663
Vehicles	5,697,797	448,702	(67,765)	6,078,734
<i>Total Depreciable Capital Assets</i>	<u>114,876,930</u>	<u>3,647,887</u>	<u>(374,707)</u>	<u>118,150,110</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(240,135)	(43,066)	-	(283,201)
Buildings	(11,779,422)	(497,903)	-	(12,277,325)
Building Improvements	(1,208,216)	(109,137)	-	(1,317,353)
Roads	(47,661,933)	(1,506,484)	238,152	(48,930,265)
Bridges	(10,443,807)	(396,258)	-	(10,840,065)
Equipment	(3,286,310)	(320,035)	85,601	(3,520,744)
Vehicles	(3,272,533)	(335,724)	-	(3,608,257)
<i>Total Accumulated Depreciation</i>	<u>(77,892,356)</u>	<u>(3,208,607)</u>	<u>323,753</u>	<u>(80,777,210)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>36,984,574</u>	<u>439,280</u>	<u>(50,954)</u>	<u>37,372,900</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$39,993,942</u>	<u>\$ 714,020</u>	<u>\$ (228,091)</u>	<u>\$40,479,871</u>

Depreciation expense was charged to governmental activities as follows:

	<u>Depreciation</u>
General Government	
Legislative and Executive	\$ 177,924
Judicial	7,357
Public Safety	632,973
Public Works	2,151,670
Health	154,679
Human Services	70,624
Conservation and Recreation	13,380
Total Depreciation Expense	<u>\$ 3,208,607</u>

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

	Beginning Balance	Additions	Reductions	Ending Balance
Business-Type Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$ 61,465	\$ -	\$ -	61,465
<i>Total Nondepreciable Capital Assets</i>	61,465	-	-	61,465
<i>Depreciable Capital Assets</i>				
Equipment	-	29,438	-	29,438
Vehicles	-	47,085	-	47,085
<i>Total Depreciable Capital Assets</i>	-	76,523	-	76,523
<i>Less Accumulated Depreciation</i>				
Equipment	-	(1,472)	-	(1,472)
Vehicles	-	(4,708)	-	(4,708)
<i>Total Accumulated Depreciation</i>	-	(6,180)	-	(6,180)
<i>Total Depreciable Capital Assets, Net</i>	-	70,343	-	70,343
<i>Business-Type Activities Capital Assets, Net</i>	\$ 61,465	\$ 70,343	\$ -	\$ 131,808

NOTE 10 – INTERFUND BALANCES AND TRANSFERS

Interfund Receivables/Payables

The account balances reported in the fund financial statements for “interfund receivable” and “interfund payable” as of December 31, 2024 include the following:

	Interfund Receivables	Interfund Payables
Governmental Funds:		
General Fund	\$ 82,071	\$ -
Motor Vehicle and Gasoline Tax	-	10,172
Job and Family Services	452,127	18,212
Alcohol, Drug Addiction and Mental Health Services	-	1,681
Developmental Disabilities	-	33,883
Children's Services	-	390,417
Other Governmental Funds	40,019	119,563
Enterprise Fund:		
Landfill	-	289
Total Interfund Loans	\$ 574,217	\$ 574,217

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Interfund Transfers

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ -	\$ 5,441,979
Job and Family Services	81,728	-
Capital Projects	5,200,000	-
Other Governmental Funds	160,251	-
Total Governmental Funds	<u>\$ 5,441,979</u>	<u>\$ 5,441,979</u>

General fund transferred \$81,728 to the job and family services fund, \$130,251 to the dog and kennel fund, \$30,000 to the child support enforcement agency fund and \$5,200,000 to the capital projects fund in 2024.

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

NOTE 11 – RISK MANAGEMENT

Workers' Compensation

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

In order to allocate the savings derived by the formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc., provides administrative, cost control, and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Other Insurance Coverage

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

General Liability	\$1,000,000
Excess Liability	9,000,000
Law Enforcement Professional Liability	1,000,000
Public Officials Errors and Omissions Liability	1,000,000
Automobile Liability	1,000,000
Uninsured Motorists Liability	250,000
Cyber Liability	1,000,000
Building and Contents	121,467,643
Other Property Insurance	
Flood and Earthquake	125,000,000
Comprehensive Boiler and Machinery	100,000,000
Crime Insurance	
Faithful Performance	1,000,000
Money and Securities	1,000,000
Depositor's Forgery	1,000,000
Money Order and Counterfeit Paper	1,000,000

With the exceptions of medical and dental coverage for Developmental Disabilities employees and workers' compensation, insurance is held with CORSA. There has been no significant reduction in insurance coverage from 2023 and settled claims have not exceeded this coverage in the past three years. The County pays all elected officials' bonds by statute.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/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 (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

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

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

The remainder of this note includes the pension disclosures. See Note 13 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

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 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. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

* 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.

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 was \$2,482,004 for 2024. Of this amount, \$35,380 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The County participates 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 Web site at www.strsoh.org.

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

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

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

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

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 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, 2023, 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 employee and employer rates are 14 percent of covered payroll. The 2024 contribution rates were equal to the statutory maximum rates.

Employer contribution rates are expressed as a percentage of covered payroll. The County's contractually required contribution to STRS was \$87,876 for 2024. Of this amount, \$721 is reported as due to other governments.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

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

	OPERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Period	0.101017%	0.0044970%	
Prior Measurement Period	0.097007%	0.0042229%	
Change in Proportion	0.004010%	0.0002741%	
Proportionate Share of the Net			
Pension Liability	\$ 26,446,664	\$ 865,294	\$ 27,311,958
Pension Expense	\$ 3,352,597	\$ 19,163	\$ 3,371,760

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

	OPERS	STRS	Total
Deferred Outflows of Resources			
Net Difference between Projected and Actual			
Earnings on Pension Plan Investments	\$ 5,338,065	\$ -	\$ 5,338,065
Differences between Expected and			
Actual Experience	432,248	54,491	486,739
Changes of Assumptions	-	39,879	39,879
Changes in Proportionate Share and			
Differences in Contributions	468,628	60,658	529,286
County Contributions Subsequent			
to the Measurement Date	2,482,004	43,317	2,525,321
Total Deferred Outflows of Resources	<u>\$ 8,720,945</u>	<u>\$ 198,345</u>	<u>\$ 8,919,290</u>
Deferred Inflows of Resources			
Differences between Expected and			
Actual Experience	\$ -	\$ 473	\$ 473
Net Difference between Projected and Actual			
Earnings on Pension Plan Investments	-	74,398	74,398
Changes of Assumptions	-	30,017	30,017
Changes in Proportionate Share and			
Differences in Contributions	\$ 41,563	12,157	53,720
Total Deferred Inflows of Resources	<u>\$ 41,563</u>	<u>\$ 117,045</u>	<u>\$ 158,608</u>

\$2,525,321 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	STRS	Total
2025	\$ 1,618,763	\$ (31,608)	\$ 1,587,155
2026	1,932,285	88,513	2,020,798
2027	3,406,452	(12,872)	3,393,580
2028	(760,122)	(6,050)	(766,172)
Total	<u>\$ 6,197,378</u>	<u>\$ 37,983</u>	<u>\$ 6,235,361</u>

Actuarial Assumptions – OPERS

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

Projections of 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, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

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

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

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

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 41,634,157	\$ 26,446,664	\$ 13,815,085

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, and June 30, 2022, actuarial valuation, are presented below:

Inflation	2.50 percent
Salary Increases	Varies by service from 2.50 percent to 8.50 percent
Payroll Increases	3.00 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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.

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

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

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

*Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

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

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net Pension Liability	\$ 1,395,870	\$ 865,294	\$ 416,517

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Assumption and Benefit Changes Since the Prior Measurement Date Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

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. Substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension 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. 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 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 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 service credit with at least 20 years of qualified health care service credit; or

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Group C 32 years of total service cred 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; or

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

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

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

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

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

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

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

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

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$0 for 2024.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing, multiple-employer 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 the monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

Net OPEB Asset, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB asset for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The net OPEB asset for STRS was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB asset was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Period	0.098746%	0.0044970%	
Prior Measurement Period	0.093993%	0.0042229%	
Change in Proportion	<u>0.004753%</u>	<u>0.0002741%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ (891,206)	\$ (85,299)	\$ (976,505)
OPEB Expense	\$ (106,313)	\$ (22,348)	\$ (128,661)

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Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

	OPERS	STRS	Total
Deferred Outflows of Resources			
Net Difference between Projected and Actual			
Earnings on OPEB Plan Investments	\$ 535,221	\$ -	\$ 535,221
Differences between Expected and			
Actual Experience	-	3,707	3,707
Changes of Assumptions	229,442	10,499	239,941
Changes in Proportionate Share and			
Differences in Contributions	-	112	112
Total Deferred Outflows of Resources	<u>\$ 764,663</u>	<u>\$ 14,318</u>	<u>\$ 778,981</u>
Deferred Inflows of Resources			
Differences between Expected and			
Actual Experience	\$ 126,845	\$ 9,192	\$ 136,037
Net Difference between Projected and Actual			
Earnings on OPEB Plan Investments	-	3,664	3,664
Changes of Assumptions	383,103	38,468	421,571
Changes in Proportionate Share and			
Differences in Contributions	30,039	2,306	32,345
Total Deferred Inflows of Resources	<u>\$ 539,987</u>	<u>\$ 53,630</u>	<u>\$ 593,617</u>

\$0 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction/addition of the net OPEB asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	STRS	Total
2025	\$ (42,014)	\$ (13,788)	\$ (55,802)
2026	30,792	(5,998)	24,794
2027	416,623	(7,613)	409,010
2028	(180,725)	(7,086)	(187,811)
2029	-	(5,784)	(5,784)
Thereafter	-	957	957
Total	<u>\$ 224,676</u>	<u>\$ (39,312)</u>	<u>\$ 185,364</u>

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

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

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

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

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

Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 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 Asset to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB asset calculated using the single discount rate of 5.70 percent, as well as what the County's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's Proportionate Share of the Net OPEB (Asset)	\$ 489,780	\$ (891,206)	\$ (2,035,155)

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 liability or 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 1.0 percent lower or 1.0 percent higher than the current rate.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
County's Proportionate Share of the Net OPEB (Asset)	\$ (928,212)	\$ (891,206)	\$ (849,216)

Actuarial Assumptions – STRS

The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary Increases	Varies by service from 2.5 percent to 8.5 percent
Payroll Increases	3.00 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Discount Rate of Return	7.00 percent

Health Care Cost Trend Rate	<u>Initial</u>	<u>Ultimate</u>
Medical		
Pre-Medicare	7.50 percent	3.94 percent
Medicare	-112.22 percent	3.94 percent
Prescription Drug		
Pre-Medicare	8.00 percent	3.94 percent
Medicare	-15.14 percent	3.94 percent

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

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

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

*Final target weights reflected at October 1, 2022.

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

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

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate 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 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as of June 30, 2023, calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	\$ (69,354)	\$ (85,299)	\$ (99,175)

	1% Decrease	Current Trend Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	\$ (100,113)	\$ (85,299)	\$ (67,484)

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

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 13 - OTHER EMPLOYER BENEFITS

Compensated Absences

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. Currently, employees are not permitted to accrue or carry over, beyond an anniversary date, more than the equivalent of one year's vacation leave, except as otherwise defined in union agreements. All accumulated unused vacation time is paid upon separation from the County. Sick leave is earned at a rate of four and six-tenths hours for every eighty hours worked. Sick leave is pro-rated for those employees working less than a standard eighty hour pay period. Any County employee who has ten or more years of service is paid upon retirement for one-fourth of the value of their accumulated unused sick leave up to a maximum of forty-five to sixty-five days, depending on department policy or union contract.

Employee Health Insurance

Ashland County offers employee medical, dental, and vision benefits through the County Employee Benefits Consortium of Ohio. Depending on the plan chosen, the employees share the cost of the monthly premium with the County.

NOTE 14 - LONG-TERM OBLIGATIONS

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

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
<i>Direct Borrowing</i>					
Loan Payable	\$ 16,934	\$ -	\$ (10,000)	\$ 6,934	\$ 6,934
<i>Other Long Term Obligations</i>					
Net Pension Liability	29,565,307	-	(2,253,349)	27,311,958	-
Net OPEB Liability	592,645	-	(592,645)	-	-
Compensated Absences*	3,796,852	256,893	-	4,053,745	1,503,600
<i>Total Other Long Term Obligations</i>	<u>33,954,804</u>	<u>256,893</u>	<u>(2,845,994)</u>	<u>31,365,703</u>	<u>1,503,600</u>
Total Governmental Activities	<u>\$ 33,971,738</u>	<u>\$ 256,893</u>	<u>\$ (2,855,994)</u>	<u>\$ 31,372,637</u>	<u>\$ 1,510,534</u>
Business-Type Activities					
Closure/Postclosure Liability	<u>\$ 801,667</u>	<u>\$ -</u>	<u>\$ (89,787)</u>	<u>\$ 711,880</u>	<u>\$ 104,409</u>

*The change in compensated absences above is a net change for the year.

Loan Payable

In 2013, the County obtained a loan through a direct borrowing from the Ohio Development Services Agency (Local Government Fund) for the implementation of a document imaging system at the Department of Job and Family Services. The loan was obtained for a ten year period with payment beginning twelve months after the date of the final disbursement. The project was completed in 2014 with loan repayments

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

beginning in 2016. The loan will be retired through the Job and Family Services special revenue fund. Of the outstanding loan amount, \$6,934 was not capitalized for governmental activities.

Net Pension and OPEB Liability

There is no repayment schedule for the net pension liability; however, employer pension contributions are made from the General Fund; the Motor Vehicle and Gasoline Tax; Job and Family Services; Alcohol, Drug Addiction, and Mental Health Services; Developmental Disabilities; Dog and Kennel; Real Estate Assessment; CPC 4D CSEA Grant; Sheriff 4D CSEA Grant; Law Library; County Sheriff; Victims of Crime; Probation Services; Child Support Enforcement Agency; Sheriff Gun Permit; DRETAC; Juvenile Court; Felony Delinquent Care/Custody, Community Control-CPC, and Jail Operating special revenue funds.

Compensated Absences Payable

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. These funds include the General Fund; the Motor Vehicle and Gasoline Tax; Job and Family Services; Alcohol, Drug Addiction, and Mental Health Services; Developmental Disabilities; Dog and Kennel; Real Estate Assessment; DRETAC; Felony Delinquent Care/Custody and Community Control-CPC special revenue funds.

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

<u>Year</u>	<u>Loan Payable Principal</u>
2026	<u>\$ 6,934</u>

To further economic development in the County, the County has issued bonds that provide capital financing to private-sector entities for the acquisition and construction of industrial and commercial facilities. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the County for any of those bonds. At December 31, 2024, the bonds have an aggregate outstanding principal amount payable of \$5,180,000.

NOTE 15 - POSTCLOSURE COSTS

State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The County's landfill was closed in 1997. The \$711,880 reported as the landfill postclosure liability at December 31, 2024, represents the estimated costs of maintenance and monitoring through 2027. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The December 31, 2024, liability decreased from the prior year by \$89,787.

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

NOTE 16– CONTINGENT LIABILITIES

Litigation

On December 31, 2024, the County was party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. In the opinion of the County, any potential liability would not have a material adverse effect on the financial statements.

State and Federal Grants

The County has received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial. Ashland County is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The County management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the County.

NOTE 17 – COMMITMENTS

Encumbrance Commitments

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

<u>Fund</u>	<u>Amount</u>
General	\$ 217,999
Alcohol, Drug Addiction, and Mental Health Services	680,269
Capital Projects	583,045
Nonmajor Governmental	2,063,036
	<u>\$ 3,544,349</u>

Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Contractual Commitments

As of December 31, 2024, the County had the following contractual commitments:

<u>Contract</u>	<u>Contract Amount</u>	<u>Amount Outstanding</u>
Woolpert	<u>\$ 536,306</u>	<u>\$ 356,338</u>

Contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note. Reasons for this may include timing of when contracts are encumbered and contracts paid from enterprise funds, which are not required to disclose encumbrance commitments.

NOTE 18 – SETTLEMENT MONIES

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the County reported \$379,659 as an account receivable related to opioid settlement monies in the OneOhio Opioid Settlement special revenue fund in the accompanying financial statements. Collections of these settlement monies are expected to extend through 2038 with \$45,078 expected to be collected in 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Ashland County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
County's Proportion of the Net Pension Liability	0.101017%	0.097007%	0.098226%	0.094349%
County's Proportionate Share of the Net Pension Liability	\$ 26,446,664	\$ 28,655,911	\$ 8,546,061	\$ 13,971,034
County's Covered Payroll	\$ 15,787,401	\$ 14,265,167	\$ 13,595,623	\$ 12,686,495
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	167.52%	200.88%	62.86%	110.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%
<i>State Teachers Retirement System (STRS)</i>				
County's Proportion of the Net Pension Liability	0.004497%	0.004223%	0.004244%	0.003902%
County's Proportionate Share of the Net Pension Liability	\$ 865,294	\$ 909,396	\$ 943,471	\$ 498,889
County's Covered Payroll	\$ 585,257	\$ 570,379	\$ 551,757	\$ 481,464
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	147.85%	159.44%	170.99%	103.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.50%	80.00%	78.90%	87.80%

Note: The amounts presented for each year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

	2020		2019		2018		2017		2016		2015
	0.094836%		0.093880%		0.097097%		0.098689%		0.100890%		0.099983%
\$	18,744,980	\$	25,711,766	\$	15,232,584	\$	22,410,594	\$	17,475,500	\$	12,059,067
\$	12,585,623	\$	12,362,487	\$	12,491,486	\$	12,145,083	\$	12,006,391	\$	11,682,338
	148.94%		207.98%		121.94%		184.52%		145.55%		103.22%
	82.17%		74.70%		84.66%		77.25%		81.08%		86.45%
	0.004055%		0.004009%		0.004530%		0.005036%		0.005594%		0.006323%
\$	981,168	\$	886,674	\$	996,032	\$	1,196,301	\$	1,872,367	\$	1,747,497
\$	467,950	\$	470,729	\$	514,979	\$	553,643	\$	588,557	\$	659,700
	209.67%		188.36%		193.41%		216.08%		318.13%		264.89%
	75.50%		77.40%		77.30%		75.30%		66.80%		72.10%

Ashland County
Required Supplementary Information
Schedule of the County's Contributions - Pension
Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
Contractually Required Contribution	\$ 2,482,004	\$ 2,327,937	\$ 2,105,970	\$ 2,006,391
Contributions in Relation to the Contractually Required Contribution	<u>\$ (2,482,004)</u>	<u>\$ (2,327,937)</u>	<u>\$ (2,105,970)</u>	<u>\$ (2,006,391)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 16,888,296	\$ 15,787,401	\$ 14,265,167	\$ 13,595,623
Contributions as a Percentage of Covered Payroll	14.70%	14.00%	14.00%	14.00%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 87,876	\$ 81,936	\$ 77,414	\$ 73,899
Contributions in Relation to the Contractually Required Contribution	<u>\$ (87,876)</u>	<u>\$ (81,936)</u>	<u>\$ (77,414)</u>	<u>\$ (73,899)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 627,686	\$ 585,257	\$ 552,957	\$ 527,850
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,862,215	\$ 1,847,510	\$ 1,813,057	\$ 1,703,582	\$ 1,532,356	\$ 1,512,762
<u>\$ (1,862,215)</u>	<u>\$ (1,847,510)</u>	<u>\$ (1,813,057)</u>	<u>\$ (1,703,582)</u>	<u>\$ (1,532,356)</u>	<u>\$ (1,512,762)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 12,686,495	\$ 12,585,623	\$ 12,362,487	\$ 12,491,486	\$ 12,145,083	\$ 12,006,391
14.00%	14.00%	14.00%	13.64%	12.62%	12.60%
\$ 67,149	\$ 64,911	\$ 70,113	\$ 73,596	\$ 81,584	\$ 92,009
<u>\$ (67,149)</u>	<u>\$ (64,911)</u>	<u>\$ (70,113)</u>	<u>\$ (73,596)</u>	<u>\$ (81,584)</u>	<u>\$ (92,009)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 479,636	\$ 463,650	\$ 500,807	\$ 525,686	\$ 582,743	\$ 657,207
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Ashland County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset)
Last Eight Years (1)

	2024	2023	2022	2021
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
County's Proportion of the Net OPEB Liability (Asset)	0.098746%	0.093993%	0.095028%	0.091792%
County's Proportionate Share of the Net OPEB Liability (Asset)	\$ (891,206)	\$ 592,645	\$ (2,976,422)	\$ (1,635,349)
County's Covered Payroll	\$15,787,401	\$14,866,406	\$14,171,998	\$13,285,820
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-5.65%	3.99%	-21.00%	-12.31%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%
<i>State Teachers Retirement System (STRS)</i>				
County's Proportion of the Net OPEB Liability (Asset)	0.004497%	0.00422289%	0.00424411%	0.00390188%
County's Proportionate Share of the Net OPEB Liability (Asset)	\$ (85,299)	\$ (82,130)	\$ (109,895)	\$ (82,269)
County's Covered Payroll	\$ 585,257	\$ 570,379	\$ 551,757	\$ 481,464
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.57%	-14.40%	-19.92%	-17.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	158.00%	168.50%	230.73%	174.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each year were determined as of the measurement date, which is the prior year.

See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.092217%	0.091013%	0.094240%	0.096331%
\$ 12,737,563	\$ 11,865,893	\$ 10,233,770	\$ 9,729,728
\$ 13,174,048	\$ 12,900,280	\$ 13,049,176	\$ 12,744,941
96.69%	91.98%	78.42%	76.34%
47.80%	46.33%	54.14%	54.05%
0.00405501%	0.00400949%	0.00452994%	0.00503595%
\$ (71,266)	\$ (66,406)	\$ (72,790)	\$ 196,485
\$ 467,950	\$ 470,729	\$ 514,979	\$ 553,643
-15.23%	-14.11%	-14.13%	35.49%
182.10%	174.74%	176.00%	47.10%

Ashland County
Required Supplementary Information
Schedule of the County's Contributions - OPEB
Last Ten Years (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
Contractually Required Contribution	\$ -	\$ 23,740	\$ 16,381	\$ 12,283
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>(23,740)</u>	<u>(16,381)</u>	<u>(12,283)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 16,888,296	\$ 16,591,670	\$ 14,866,406	\$ 14,171,998
Contributions as a Percentage of Covered Payroll	0.00%	3.27%	0.04%	0.04%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 627,686	\$ 585,257	\$ 552,957	\$ 527,850
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2016 is not available for OPERS.

See accompanying notes to the required supplementary information.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 12,871	\$ 15,267	\$ 15,022	\$ 143,115	\$ 263,742	\$ -
<u>(12,871)</u>	<u>(15,267)</u>	<u>(15,022)</u>	<u>(143,115)</u>	<u>(263,742)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,285,820	\$ 13,174,048	\$ 12,900,280	\$ 13,049,176	\$ 12,744,941	\$ -
0.04%	0.04%	0.04%	1.02%	2.04%	0.00%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 479,636	\$ 463,650	\$ 500,807	\$ 525,686	\$ 582,743	\$ 657,207
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

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

	2024-2022	2021-2019	2018 and 2017	2016 and prior
Wage Inflation	2.75%	3.25%	2.75%	2.75%
Future Salary Increases, including wage inflation	2.75% to 10.75%	3.25% to 10.75%	3.25% to 10.75%	4.25% to 10.05%
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3.00%, simple	3.00%, simple	3.00%, simple	3.00%, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.90%	7.20%	7.50%	8.00%
Actuarial Cost Method	Individual	Individual	Individual	Individual
	Entry Age	Entry Age	Entry Age	Entry Age

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

2024	2.30%, simple through 2024, then 2.05%, simple
2023	3.00%, simple through 2023, then 2.05%, simple
2022	3.00%, simple through 2022, then 2.05%, simple
2021	0.50%, simple through 2021, then 2.15%, simple
2020	1.40%, simple through 2020, then 2.15%, simple
2017-2019	3.00%, simple through 2018, then 2.15%, simple
2016 and prior	3.00%, simple through 2018, then 2.80%, simple

Changes in Benefit Terms – OPERS

There were no significant changes in benefit terms.

Changes in Assumptions – STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented as follows:

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

Fiscal Years	2024-2022	2021-2018	2017 and Prior
Inflation	2.50%	2.50%	2.75%
Projected Salary Increases	from 2.50% to 8.50%	to 2.50% at age 65	to 2.75% at age 70
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.45%	7.75%
Projected Payroll Growth	3.00%	3.00%	3.50%

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Changes in Benefit Terms - STRS

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

For fiscal year 2018, the COLA was reduced to zero.

Fiscal year 2017 and prior, COLA was 2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date.

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

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

<u>Assumption</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Wage Inflation	2.75%	2.75%	2.75%	3.25%	3.25%	3.25%
Single Discount Rate	5.70%	5.22%	6.00%	6.00%	3.16%	3.96%
Municipal Bond Rate	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%
Health Care Cost Trend Rate	5.50%	5.50%	5.50%	8.50%	10.50%	10.00%

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

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

Changes in Assumptions – STRS

For fiscal year 2022, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent).

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

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

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms – STRS

Effective January 1, 2024, Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes.

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

For fiscal year 2023, health care trends were updated to reflect emerging claims and recoveries experience

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021

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

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

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

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal AL Number	Passed Through to Subrecipients	2024 Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>(Passed through the Ohio Development Services Agency)</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-F-23-1AC-1	14.228		\$ 138,814
	B-C-21-1AC-1			30,263
	B-C-23-1AC-1			22,666
	B-W-20-1AC-1			3,500
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				<u>195,243</u>
Home Investment Partnerships Program	B-C-21-1AC-2	14.239		60,367
	B-C-23-1AC-2			15,666
Total Home Investment Partnerships Program				<u>76,033</u>
Total U.S. Department of Housing and Urban Development				<u>271,276</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>(Passed through Ohio Attorney General)</i>				
Crime Victim Assistance	2025-VOCA-135898295	16.575		7,915
	2024-VOCA-135499147			21,292
	2024-SVAA-135499168			2,974
Total Crime Victim Assistance				<u>32,181</u>
Total U.S. Department of Justice				<u>32,181</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>(Passed through the Ohio Emergency Management Agency)</i>				
Emergency Management Performance Grants	EMC-2024-EP-05000	97.042		61,543
Total U.S. Department of Homeland Security				<u>61,543</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>(Passed through the Ohio Department of Education & Workforce)</i>				
Special Education Cluster:				
Special Education Grants to States	Not Available	84.027A		16,791
Total Special Education Cluster				<u>16,791</u>
<i>(Passed through the Ohio Department of Developmental Disabilities)</i>				
Special Education - Grants for Infants and Families	H181A220024	84.181		66,189
	H181A230024			47,724
Total Special Education - Grants for Infants and Families				<u>113,913</u>
Total U.S. Department of Education				<u>130,704</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>(Passed through the Ohio Department of Education & Workforce)</i>				
Child Nutrition Cluster:				
School Breakfast Program	Not Available	10.553		7,750
COVID-19 - National School Lunch Program	Not Available	10.555		6,125
National School Lunch Program	Not Available			15,486
Total Child Nutrition Cluster				<u>29,361</u>
<i>(Passed through the Ohio Department of Job & Family Services)</i>				
Supplemental Nutrition Assistance Program Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	G-2425-11-6105	10.561		351,513
Total Supplemental Nutrition Assistance Program Cluster:				<u>351,513</u>
Total U.S. Department of Agriculture				<u>380,874</u>

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

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal AL Number	Passed Through to Subrecipients	2024 Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>(Passed through the Ohio Department of Health)</i> Public Health Emergency Preparedness	00310012PH0125 00310012PH1524	93.069		29,559 <u>41,244</u> 70,803
Total Public Health Emergency Preparedness				
Immunization Cooperative Agreements	00310012CB0124	93.268		11,040
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	00310012WF0223	93.354		57,946
<i>(Passed through the Ohio Department of Job & Family Services)</i> Title IV-E Prevention and Family Services and Programs	G-2425-11-6105	93.472		78,793
MaryLee Allen Promoting Safe and Stable Families Program	G-2425-11-6105	93.556		15,235
Temporary Assistance for Needy Families	G-2425-11-6105	93.558	\$ 519,455	833,301
Child Support Enforcement	G-2425-11-6105	93.563		477,083
CCDF Cluster: Child Care and Development Block Grant Total Child Care and Development Fund Cluster:	G-2425-11-6105	93.575		<u>38,893</u> 38,893
Stephanie Tubbs Jones Child Welfare Services Program	G-2425-11-6105	93.645		47,515
Foster Care_Title IV-E	G-2425-11-6105	93.658		711,342
Adoption Assistance	G-2425-11-6105	93.659		404,060
<i>(Passed through the Ohio Department of Job and Family Services)</i> Social Services Block Grant	G-2425-11-6105	93.667		519,817
<i>(Passed through the Ohio Department of Mental Health & Addiction Services)</i> Social Services Block Grant	2301OHSOSR/2401OHOSR			29,790
<i>(Passed through the Ohio Department of Developmental Disabilities)</i> Social Services Block Grant	Not Available			<u>36,254</u>
Total Social Services Block Grant				<u>585,861</u>
<i>(Passed through the Ohio Department of Job and Family Services)</i> John H. Chafee Foster Care Program for Successful Transition to Adulthood	G-2425-11-6105	93.674		5,299
Medicaid Cluster: Medical Assistance Program Total Medicaid Cluster	G-2425-11-6105	93.778		<u>282,957</u> <u>282,957</u>
<i>(Passed through the Ohio Department of Mental Health & Addiction Services)</i> Opioid State Targeted Response	H79TI085753	93.788		516,668
Block Grants for Community Mental Health Services COVID 19 Block Grants for Community Mental Health Services Block Grants for Community Mental Health Services Total Block Grants for Community Mental Health Services	B09SM087381/B09SM089646 B09SM085918 B09SM089370	93.958		37,031 50,000 <u>25,009</u> 112,040
Block Grant for Prevention and Treatment of Substance Abuse	B08TI085827/B08TI087059	93.959		179,585
Total U.S. Department of Health and Human Services			519,455	4,428,421

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

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal AL Number	Passed Through to Subrecipients	2024 Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>(Passed through the Ohio Department of Transportation)</i>				
Highway Planning and Construction	109298	20.205		298,455
	109299			101,653
	117252			3,542
Total Highway Planning and Construction				<u>403,650</u>
Total U.S. Department of Transportation				<u>403,650</u>
<u>U.S. DEPARTMENT OF TREASURY</u>				
<i>Direct</i>				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds <i>(Passed through the Ohio Department of Aging)</i>	Not Available	21.027	288,168	1,790,129
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds <i>(Passed through the Ohio Department of Job & Family Services)</i>	Not Available			3,396
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	G-2425-11-6105			6,888
Total COVID 19 - Coronavirus State and Local Fiscal Recovery Funds				<u>1,800,413</u>
Total U.S. Department of Treasury			<u>288,168</u>	<u>1,800,413</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
<i>(Passed through Area 7 Workforce Investment Board)</i>				
Workforce Investment Act Cluster:				
WIOA Adult Program	G-2425-11-6105	17.258		50,485
WIOA Youth Activities	G-2425-11-6105	17.259	76,577	76,768
WIOA Dislocated Worker Formula Grants	G-2425-11-6105	17.278		24,263
Total WIOA Cluster			<u>76,577</u>	<u>151,516</u>
Total U.S. Department of Labor			<u>76,577</u>	<u>151,516</u>
TOTAL			<u>\$ 884,200</u>	<u>\$ 7,660,578</u>

See accompanying Notes to the Federal Awards Expenditures Schedule

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

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

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

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F - MATCHING REQUIREMENTS

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



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

Ashland County
142 West 2nd Street
Ashland, Ohio 44805

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ashland County, Ohio (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 18, 2025, wherein we noted the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



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

September 18, 2025



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

Ashland County
142 West 2nd Street
Ashland, Ohio 44805

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Ashland County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The County's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

KEITH FABER
Ohio Auditor of State

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

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

September 18, 2025

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ASHLAND COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	AL #21.027 – Coronavirus State and Local Fiscal Recovery Funds AL #93.667 – Social Services Block Grant (JFS and Non-JFS)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

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OHIO AUDITOR OF STATE KEITH FABER



ASHLAND COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/23/2025

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

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