CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CARROLL COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2025

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of County Commissioners
Carroll County
119 South Lisbon Street, Suite 203
Carrollton, Ohio 44615

We have reviewed the *Independent Auditor's Report* of Carroll County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2025 through December 31, 2025. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Carroll County is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

July 13, 2026

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Independent Auditors' Report

To the Board of County Commissioners
Carroll County, Ohio:

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 Carroll County, Ohio (County), as of and for the year ended December 31, 2025, 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, business-type activities, each major fund, and the aggregate remaining fund information of Carroll County, Ohio, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Motor Vehicle and Gas Tax Fund, County Board of Developmental Disabilities Fund, County Home Fund, and Public Assistance Fund for the year then ended in accordance with 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 *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 the required pension and OPEB schedules, as identified in the table of contents, 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 GAAS, 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 accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 24, 2026

The management's discussion and analysis of Carroll County's (the "County") financial performance provides an overall review of the County's financial activities for the year ended December 31, 2025. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the notes to the basic financial statements and basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- The total net position of the County increased by $5,647,185. Net position of governmental activities increased by $5,645,976, which represents a 9% increase from 2024. Net position of business-type activities increased by $1,209.

- General revenues accounted for $18,449,831 or 40% of total governmental activities revenue. Program specific revenues accounted for $27,439,465 or 60% of total governmental activities revenue.

- The County had $41,399,718 in total expenses, an increase of $4,643,358 from 2024. Program revenues of $28,500,079 reduced the net cost of the County's functions to be financed from property and sales taxes and other general revenues to $12,899,639.

- The County's unassigned fund balance in the General Fund was $2,577,857 at year end, or 15% of General Fund expenditures.

Using this Annual Financial Report

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

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

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all financial transactions and asks the question, "How did the County perform financially during 2025?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the County's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

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

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

Proprietary Funds

The County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its sewer and sanitary landfill operations.

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's net pension liabilities and net other postemployment benefit (OPEB) liabilities/(assets).

Government-Wide Financial Analysis

The statement of net position provides the perspective of the County as a whole. The table below provides a summary of the County's net position for 2025 compared to 2024.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 55,252,073	$ 56,857,054	$ 1,484,246	$ 1,486,297	$ 56,736,319	$ 58,343,351
Net OPEB assets	1,971,182	818,309	41,753	14,985	2,012,935	833,294
Capital assets	47,596,224	40,123,511	3,157,489	3,323,817	50,753,713	43,447,328
Total Assets	104,819,479	97,798,874	4,683,488	4,825,099	109,502,967	102,623,973
Deferred Outflows of Resources	5,259,523	8,009,554	110,606	154,635	5,370,129	8,164,189
Liabilities						
Long-term liabilities:						
Net pension liabilities	21,455,106	23,526,817	451,252	451,082	21,906,358	23,977,899
Other long-term amounts	4,338,811	4,656,373	3,543,896	3,725,289	7,882,707	8,381,662
Other liabilities	3,088,438	2,772,446	51,266	63,414	3,139,704	2,835,860
Total Liabilities	28,882,355	30,955,636	4,046,414	4,239,785	32,928,769	35,195,421
Deferred Inflows of Resources	10,126,926	9,429,047	17,321	10,799	10,144,247	9,439,846
Net Position						
Net investment in capital assets	46,152,171	38,488,465	1,346,360	1,388,856	47,498,531	39,877,321
Restricted	17,417,996	16,711,988	41,753	-	17,459,749	16,711,988
Unrestricted	7,499,554	10,223,292	(657,754)	(659,706)	6,841,800	9,563,586
Total Net Position	$ 71,069,721	$ 65,423,745	$ 730,359	$ 729,150	$ 71,800,080	$ 66,152,895

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2025 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. The net other postemployment benefits (OPEB) liability/(asset) is reported pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension and OPEB liabilities to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB assets.

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB Statement No. 68 and GASB Statement No. 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 Statement No. 68 and GASB Statement No. 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.

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

In accordance with GASB Statement No. 68 and GASB Statement No. 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.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2025, the County's assets and deferred outflows exceeded liabilities and deferred inflows by $71,800,080. This amounts to $71,069,721 in governmental activities and $730,359 in business-type activities.

Capital assets reported on the government-wide statements represent the largest portion of the County's net position. At year-end, capital assets represented 46% of total governmental and business-type assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, infrastructure, machinery and equipment, sewer lines, and right-to-use lease assets. The net investment in capital assets at December 31, 2025 was $47,498,531. 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.

As of December 31, 2025, the County is able to report positive balances in all of the categories of net position for governmental activities and one of the two categories for business-type activities. The unrestricted deficit net position balance for business-type activities is primarily attributable to the recognition of the landfill postclosure liability.

Total assets increased by $6,878,994 during 2025. Current assets (including cash, receivables and inventories) decreased by $1,607,032 due primarily to decreases in cash balances as the County increased spending for capital outlay. The net OPEB asset increased by $1,179,641 due to a gain of 10.0% for the Ohio Public Employees Retirement System (OPERS) investment portfolio during the measurement period. Capital assets increased $7,306,385 due to infrastructure improvements contributed by area oil and gas companies, the purchase of land and vehicles, the completion of a bridge project and construction in progress on the Moody Avenue Annex renovations.

Total liabilities decreased by $2,266,652 during 2025. The majority of this decrease occurred in net pension liabilities. The decrease in these liabilities was primarily attributable to the increase in the value of investment portfolios managed by the Ohio Public Employees Retirement System (OPERS) and State Teachers Retirement System (STRS), both of which experienced significant investment gains during the measurement periods.

A portion of the County's net position, $17,459,749, represents resources that are subject to external restrictions on how they may be used.

The table below shows the changes in net position for years 2025 and 2024.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	$ 6,906,051	$ 6,239,661	$ 1,022,226	$ 906,839	$ 7,928,277	$ 7,146,500
Operating grants and contributions	14,466,629	14,002,838	38,388	56,477	14,505,017	14,059,315
Capital grants and contributions	6,066,785	5,021,661	-	-	6,066,785	5,021,661
Total program revenues	27,439,465	25,264,160	1,060,614	963,316	28,500,079	26,227,476
General revenues:						
Property and other taxes	9,715,712	10,361,801	-	-	9,715,712	10,361,801
Sales taxes	4,798,421	4,031,614	-	-	4,798,421	4,031,614
Grants and entitlements not restricted to specific programs	1,465,699	1,334,068	-	-	1,465,699	1,334,068
Oil and gas lease	249,645	272,618	-	-	249,645	272,618
Investment earnings	1,503,347	1,531,100	65,141	32,314	1,568,488	1,563,414
Miscellaneous	717,007	540,889	31,852	23,820	748,859	564,709
Total general revenues	18,449,831	18,072,090	96,993	56,134	18,546,824	18,128,224
Total revenues	45,889,296	43,336,250	1,157,607	1,019,450	47,046,903	44,355,700
Expenses						
General government	9,092,716	8,976,809	-	-	9,092,716	8,976,809
Public safety	5,258,143	5,085,494	-	-	5,258,143	5,085,494
Public works	10,362,060	8,569,090	-	-	10,362,060	8,569,090
Health	6,317,834	5,925,985	-	-	6,317,834	5,925,985
Human services	8,141,008	6,804,431	-	-	8,141,008	6,804,431
Economic development and assistance	1,021,335	202,821	-	-	1,021,335	202,821
Interest and fiscal charges	36,836	43,937	-	-	36,836	43,937
Sewer	-	-	1,162,837	1,102,489	1,162,837	1,102,489
Landfill	-	-	6,949	45,304	6,949	45,304
Total expenses	40,229,932	35,608,567	1,169,786	1,147,793	41,399,718	36,756,360
Transfers	(13,388)	(25,000)	13,388	25,000	-	-
Change in net position	5,645,976	7,702,683	1,209	(103,343)	5,647,185	7,599,340
Net position, beginning of year	65,423,745	57,721,062	729,150	832,493	66,152,895	58,553,555
Net position, end of year	$ 71,069,721	$ 65,423,745	$ 730,359	$ 729,150	$ 71,800,080	$ 66,152,895

Governmental Activities

Governmental net position increased by $5,645,976 during the year.

General government represents activities related to the governing body as well as activities that directly support County programs. In 2025, general government expenses totaled $9,092,716 or 23% of total governmental expenses. General government programs were supported by $3,036,692 in direct charges to users.

The County program human services, which supports the operations of the county home, public assistance, and the children services board accounted for $8,141,008 of expenses or 20% of total governmental expenses of the County during 2025. These expenses were funded by $1,324,891 in charges to users of services and $4,787,418 in operating grants and contributions.

The County program public works accounted for $10,362,060 or 26% of total governmental expenses. Public works programs include the maintenance and construction of County roads and bridges. Public works programs are primarily supported by revenues from motor vehicle licenses and gasoline taxes.

The County's economic development and assistance expenses totaled $1,021,335 in 2025, an increase of $818,514 from the prior year. This increase was primarily due to higher expenditures related to Community Development Block Grant (CDBG) programs, building demolition, and site revitalization.

Operating grants are a large part of program revenues. The state and federal government contributed revenues of $14,466,629 in operating grants and contributions and $6,066,785 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating and capital grants and contributions, $4,787,418 subsidized human services programs and $11,713,478 subsidized public works programs. Another type of program revenue, charges for services, made up $6,906,051 of total governmental revenues. These charges for services and sales include fees for real estate transfers, licenses and permits, and fines and forfeitures related to judicial activities. The County experienced an increase in capital grants and contributions with receipt of a $1.4 million Ohio Department of Transportation (ODOT) grant for the Arbor Road bridge replacement.

General revenues totaled $18,449,831 and amounted to 40% of total revenues. These revenues primarily consist of property and sales tax revenue of $14,514,133 or 79% of total general revenues in 2025. Grants and entitlements not restricted to specific programs increased slightly from the prior year, as these revenues have stabilized since the COVID-era programs came to a close.

Table 3 for governmental activities indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, grants and contributions offsetting those services. The net cost of services identifies the cost of those services supported by general revenues.

Table 3
Governmental Activities Cost of Services

	Total Cost of Services 2025	Net Cost (Revenue) of Services 2025	Total Cost of Services 2024	Net Cost (Revenue) of Services 2024
General government	$ 9,092,716	$ 5,519,024	$ 8,976,809	$ 6,092,856
Public safety	5,258,143	3,434,205	5,085,494	3,858,449
Public works	10,362,060	(1,799,360)	8,569,090	(3,585,575)
Health	6,317,834	3,505,911	5,925,985	3,411,680
Human services	8,141,008	2,028,699	6,804,431	573,992
Economic development and assistance	1,021,335	65,152	202,821	(50,932)
Interest and fiscal charges	36,836	36,836	43,937	43,937
	$ 40,229,932	$ 12,790,467	$ 35,608,567	$ 10,344,407

The recognition of the County's proportionate share of the state retirement systems' net pension and OPEB assets and liabilities and the annual changes can have a significant impact on the County's financial results, despite being outside the control of County management. That is the case this year, as the County recognized pension and OPEB expenses $0.5 million lower than the expenses recognized in the prior year. The impact of these changes is allocated across all of the County's operations. Other changes are discussed in the Financial Analysis of the County's Funds section below.

Business-Type Activities

The Sewer and Landfill funds are the County's two major enterprise funds. For the year ended December 31, 2025, these operations had operating and nonoperating revenues of $1,157,607 and operating and nonoperating expenses of $1,169,786. Total revenue was up 14% from 2024, while expenses increased by only 2%, resulting in a slight increase in net position from the prior year.

Financial Analysis of the County's Funds

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

Governmental Funds

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

The County's governmental funds reported a combined fund balance of $37,577,864, which is $2,029,822 below last year's total of $39,607,686. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2025 and 2024, for all major and nonmajor governmental funds.

	Fund Balance December 31, 2025	Fund Balance December 31, 2024	Change in Fund Balance
Major Funds:			
General	$ 8,935,691	$ 11,410,134	$ (2,474,443)
Motor Vehicle and Gas Tax	6,569,240	6,684,925	(115,685)
County Board of DD	9,272,076	8,305,007	967,069
County Home	1,503,680	1,492,728	10,952
Public Assistance	487,645	464,447	23,198
Nonmajor Governmental Funds	10,809,532	11,250,445	(440,913)
Total	$ 37,577,864	$ 39,607,686	$ (2,029,822)

General Fund

The General Fund, the County's primary operating fund, experienced a decrease in fund balance during 2025 of $2,474,443, compared to prior year's decrease of $1,394,006. Revenues increased 15% from the prior year, due mainly to increased sales taxes on increased local economic activity. Expenditures were up 45% over the prior year, primarily due to increased legislative and executive costs as the County began construction on the Moody Avenue Annex renovations project.

Motor Vehicle and Gas Tax Fund

The Motor Vehicle and Gas Tax Fund, a County major fund, had revenues of $5,767,016 and expenditures of $5,882,701 in 2025. The fund experienced a decrease in fund balance of $115,685 during the year, or 2%. Although there was an increase in revenue, this was offset by increased expenditures for ongoing road improvement projects.

County Board of Developmental Disabilities (County Board of DD) Fund

The County Board of DD Fund, a County major fund, had revenues of $7,097,894 and expenditures of $6,130,825 in 2025. The fund experienced an increase in fund balance of $967,069 during the year, compared to a $940,486 increase in fund balance in 2024. Revenues increased by 9% primarily due to increases in property taxes and charges for services, while expenditures increased by 10%.

County Home Fund

The County Home Fund, a County major fund, had revenues of $2,500,832 and expenditures of $2,489,880 in 2025. The fund performed comparably with the prior year, with fund balance increasing by only $10,952.

Public Assistance Fund

The Public Assistance Fund, a County major fund, had revenues of $2,576,957 and expenditures of $2,618,770 in 2025. The fund experienced an increase in fund balance of $23,198, compared to prior year's increase of $23,113, as both revenues and expenditures decreased by similar amounts.

Budgeting Highlights - General Fund

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

There were a few amendments made to the budget throughout the year. Original budgeted revenues were $10,871,100 and were increased to $14,812,724 in the final budget. The main factors were better than anticipated sales taxes and investment income. Original appropriations were $20,332,324 and were decreased to $20,248,607 in the final appropriations, as the County anticipated higher legislative and executive function expenditures than originally budgeted which was offset by lower transfers out. Actual expenditures of $16,674,157 were less than final budgeted appropriations by $2,859,791. This was due primarily to actual 2025 expenditures for the Moody Avenue annex renovations project that were less than the amount budgeted in the legislative and executive function. The County budgets conservatively for both revenues and expenditures.

Proprietary Funds

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

Capital Assets and Debt Administration

Capital Assets

At the end of 2025, the County had $50,753,713 (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, infrastructure, right-to-use lease assets and sewer lines. Of this total, $47,596,224 was reported in governmental activities and $3,157,489 was reported in business-type activities. See Note 9 to the basic financial statements for detail. The following table shows fiscal 2025 balances compared to 2024:

Table 5
Capital Assets at Year-End
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 1,810,776	$ 1,711,076	$ 7,500	$ 7,500	$ 1,818,276	$ 1,718,576
Construction in progress	4,804,471	79,416	-	-	4,804,471	79,416
Land improvements	191,490	215,623	-	-	191,490	215,623
Buildings and improvements	5,130,934	5,031,826	14,024	14,620	5,144,958	5,046,446
Furniture and equipment	997,716	890,743	86,079	51,857	1,083,795	942,600
Vehicles	2,644,834	2,203,654	-	-	2,644,834	2,203,654
Infrastructure	32,007,654	29,975,315	-	-	32,007,654	29,975,315
Right-to-use lease assets	8,349	15,858	-	-	8,349	15,858
Sewer lines	-	-	3,049,886	3,249,840	3,049,886	3,249,840
Totals	$ 47,596,224	$ 40,123,511	$ 3,157,489	$ 3,323,817	$ 50,753,713	$ 43,447,328

Debt Administration

At December 31, 2025, the County had $3,255,182 in outstanding debt, a decrease of $314,825 from 2024. As the County did not enter into any new debt, all the activity during 2025 was debt repayment. The County had the following long-term debt outstanding at December 31, 2025 and 2024:

Table 6
Outstanding Debt

	2025	2024
Governmental Activities:		
General obligation bonds	$ 1,353,700	$ 1,463,700
Lease-purchase agreements	81,424	158,032
Lease liabilities	8,929	13,314
	1,444,053	1,635,046
Business-Type Activities:		
Loans payable	1,811,129	1,934,961
Totals	$ 3,255,182	$ 3,570,007

See Note 11 to the basic financial statements for additional disclosures and detail regarding the County's debt activity.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were taken into consideration in preparing the budget for 2026:

The County's unemployment rate, which increased to 8.8% during 2020 as a result of the pandemic, was down to 5.1% in 2025.

With the continuation of conservative budgeting practices, the County's financial position should be able to weather the coming year.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Staci Brady, Carroll County Auditor, 119 Public Square, Carrollton, OH 44615-1495.

CARROLL COUNTY, OHIO
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and cash equivalents	$ 35,153,688	$ 1,316,029	$ 36,469,717
Cash in segregated accounts	1,076,378	83,301	1,159,679
Receivables (net of allowances):			
Sales taxes	748,895	-	748,895
Property and other taxes	11,473,607	-	11,473,607
Accounts	170,579	84,499	255,078
Due from other governments	4,529,217	-	4,529,217
Accrued interest	162,270	-	162,270
Prepaid items	315,836	417	316,253
Materials and supplies inventory	1,621,603	-	1,621,603
Net OPEB assets	1,971,182	41,753	2,012,935
Nondepreciable capital assets	6,615,247	7,500	6,622,747
Depreciable capital assets, net	40,980,977	3,149,989	44,130,966
Total assets	104,819,479	4,683,488	109,502,967
Deferred Outflows of Resources			
Pensions	5,159,645	109,047	5,268,692
OPEB	99,878	1,559	101,437
Total deferred outflows of resources	5,259,523	110,606	5,370,129
Liabilities			
Accounts payable	813,516	21,824	835,340
Contracts payable	537,538	-	537,538
Accrued wages and benefits payable	1,200,272	24,592	1,224,864
Due to other governments	263,464	4,850	268,314
Accrued interest payable	7,943	-	7,943
Amount to be repaid to claimants	2,008	-	2,008
Matured compensated absences	26,789	-	26,789
Unearned revenue	236,908	-	236,908
Long-term liabilities:			
Due within one year	1,098,968	243,086	1,342,054
Due in more than one year:			
Net pension liability	21,455,106	451,252	21,906,358
Other amounts due more than one year	3,239,843	3,300,810	6,540,653
Total liabilities	28,882,355	4,046,414	32,928,769
Deferred Inflows of Resources			
Property taxes levied for next year	9,206,000	-	9,206,000
Pensions	519,506	9,264	528,770
OPEB	401,420	8,057	409,477
Total deferred inflows of resources	10,126,926	17,321	10,144,247
Net Position			
Net investment in capital assets	46,152,171	1,346,360	47,498,531
Restricted for:			
Public works projects	7,241,654	-	7,241,654
Human services programs	1,660,492	-	1,660,492
Health programs	7,255,958	-	7,255,958
Other purposes	1,259,892	41,753	1,301,645
Unrestricted (deficit)	7,499,554	(657,754)	6,841,800
Total net position	$ 71,069,721	$ 730,359	$ 71,800,080

See accompanying notes to the basic financial statements.

CARROLL COUNTY, OHIO
Statement of Activities
Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental activities:							
General government:							
Legislative and executive	$ 6,367,328	$ 2,489,284	$ -	$ 500,000	$ (3,378,044)	$ -	$ (3,378,044)
Judicial	2,725,388	547,408	37,000	-	(2,140,980)	-	(2,140,980)
Public safety	5,258,143	888,087	935,851	-	(3,434,205)	-	(3,434,205)
Public works	10,362,060	447,942	6,588,209	5,125,269	1,799,360	-	1,799,360
Health	6,317,834	1,208,439	1,603,484	-	(3,505,911)	-	(3,505,911)
Human services	8,141,008	1,324,891	4,787,418	-	(2,028,699)	-	(2,028,699)
Economic development and assistance	1,021,335	-	514,667	441,516	(65,152)	-	(65,152)
Interest and fiscal charges	36,836	-	-	-	(36,836)	-	(36,836)
Total governmental activities	40,229,932	6,906,051	14,466,629	6,066,785	(12,790,467)	-	(12,790,467)
Business-type activities:							
Sewer	1,162,837	1,022,226	-	-	-	(140,611)	(140,611)
Landfill	6,949	-	38,388	-	-	31,439	31,439
Total business-type activities	1,169,786	1,022,226	38,388	-	-	(109,172)	(109,172)
Total	$ 41,399,718	$ 7,928,277	$ 14,505,017	$ 6,066,785	(12,790,467)	(109,172)	(12,899,639)
General revenues:							
Property taxes levied for:							
General purposes					3,535,862	-	3,535,862
Human services - County Board of DD					4,001,939	-	4,001,939
Human services - County Home					1,481,854	-	1,481,854
Public works - Road Levy					696,057	-	696,057
Sales taxes					4,798,421	-	4,798,421
Grants and contributions not restricted to specific programs					1,465,699	-	1,465,699
Oil and gas lease revenues					249,645	-	249,645
Investment earnings					1,503,347	65,141	1,568,488
Miscellaneous					717,007	31,852	748,859
Transfers					(13,388)	13,388	-
Total general revenues and transfers					18,436,443	110,381	18,546,824
Change in net position					5,645,976	1,209	5,647,185
Net position beginning of year					65,423,745	729,150	66,152,895
Net position end of year					$ 71,069,721	$ 730,359	$ 71,800,080

See accompanying notes to the basic financial statements.

CARROLL COUNTY, OHIO
Balance Sheet
Governmental Funds
December 31, 2025

	General	Motor Vehicle and Gas Tax	County Board of DD	County Home	Public Assistance
Assets					
Equity in pooled cash and cash equivalents	$ 8,365,970	$ 4,356,204	$ 8,551,812	$ 1,653,107	$ 707,245
Cash in segregated accounts	92,159	-	978,867	5,252	-
Receivables (net of allowances):					
Sales taxes	748,895	-	-	-	-
Property and other local taxes	4,255,412	-	4,610,352	1,774,770	-
Accounts	118,317	12,049	-	-	-
Due from other governments	630,117	2,726,096	233,991	11,250	-
Accrued interest	162,270	-	-	-	-
Interfund loans	152,490	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	262,125	4,349	3,318	2,428	2,460
Materials and supplies inventory	12,278	1,597,858	-	-	685
Total assets	$ 14,800,033	$ 8,696,556	$ 14,378,340	$ 3,446,807	$ 710,390
Liabilities					
Accounts payable	$ 100,299	$ 43,330	$ 37,392	$ 40,667	$ 76,847
Contracts payable	537,538	-	-	-	-
Accrued wages and benefits payable	477,713	176,980	181,119	100,858	125,428
Matured compensated absences	-	26,789	-	-	-
Due to other governments	82,456	28,873	92,399	15,582	20,470
Interfund loans payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Amounts to be repaid to claimants	2,008	-	-	-	-
Total liabilities	1,200,014	275,972	310,910	157,107	222,745
Deferred Inflows of Resources					
Property taxes levied for next year	3,431,000	-	3,673,000	1,430,000	-
Unavailable revenue	1,233,328	1,851,344	1,122,354	356,020	-
Total deferred inflows of resources	4,664,328	1,851,344	4,795,354	1,786,020	-
Fund balances					
Nonspendable	351,077	1,602,207	3,318	2,428	3,145
Restricted	-	4,967,033	9,268,758	1,501,252	484,500
Committed	100,606	-	-	-	-
Assigned	5,906,151	-	-	-	-
Unassigned	2,577,857	-	-	-	-
Total fund balances	8,935,691	6,569,240	9,272,076	1,503,680	487,645
Total liabilities, deferred inflows of resources and fund balances	$ 14,800,033	$ 8,696,556	$ 14,378,340	$ 3,446,807	$ 710,390

See accompanying notes to the basic financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 11,519,350	$ 35,153,688
100	1,076,378
-	748,895
833,073	11,473,607
40,213	170,579
927,763	4,529,217
-	162,270
-	152,490
52,281	52,281
41,156	315,836
10,782	1,621,603
$ 13,424,718	$ 55,456,844
$ 514,981	$ 813,516
-	537,538
138,174	1,200,272
-	26,789
23,684	263,464
152,490	152,490
52,281	52,281
236,908	236,908
-	2,008
1,118,518	3,285,266
672,000	9,206,000
824,668	5,387,714
1,496,668	14,593,714
51,938	2,014,113
9,493,925	25,715,468
1,566,712	1,667,318
-	5,906,151
(303,043)	2,274,814
10,809,532	37,577,864
$ 13,424,718	$ 55,456,844

CARROLL COUNTY, OHIO
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2025

Total governmental fund balances		$ 37,577,864
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		47,596,224
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable in the funds.		5,387,714
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds payable	(1,353,700)	
Lease-purchase payable	(81,424)	
Lease liabilities	(8,929)	
Compensated absences payable	(2,894,758)	
Accrued interest on long-term debt	(7,943)	(4,346,754)
The net pension liabilities are not due and payable in the current period; net OPEB assets are not current financial resources; therefore, the assets, liabilities, and related deferred outflows and inflows are not reported in the governmental funds:		
Deferred outflows - pensions	5,159,645	
Deferred inflows - pensions	(519,506)	
Net pension liabilities	(21,455,106)	
Deferred outflows - OPEB	99,878	
Deferred inflows - OPEB	(401,420)	
Net OPEB assets	1,971,182	(15,145,327)
Net position of governmental activities		$ 71,069,721

CARROLL COUNTY, OHIO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2025

	General	Motor Vehicle and Gas Tax	County Board of DD	County Home	Public Assistance
Revenues					
Property and other local taxes	$ 3,715,831	$ -	$ 4,224,879	$ 1,553,962	$ -
Sales taxes	5,195,983	-	-	-	-
Charges for services	1,981,477	-	1,054,061	906,527	-
Licenses and permits	20,092	-	-	-	-
Fines and forfeitures	47,560	6,127	-	-	-
Intergovernmental	1,141,366	5,469,077	1,818,954	22,287	2,295,328
Investment income	1,627,518	167,962	-	-	-
Rental income	15,000	-	-	-	-
Contributions and donations	27,648	14,537	-	-	-
Oil and gas lease	249,645	-	-	-	-
Other	608,215	109,313	-	18,056	281,629
Total revenues	14,630,335	5,767,016	7,097,894	2,500,832	2,576,957
Expenditures					
Current:					
General government:					
Legislative and executive	9,535,536	-	-	-	-
Judicial	2,252,125	-	-	-	-
Public safety	4,779,662	-	-	-	-
Public works	124,346	5,799,986	-	-	-
Health	34,589	-	6,130,825	-	-
Human services	394,311	-	-	2,485,980	2,618,770
Economic development and assistance	154,020	-	-	-	-
Capital outlay	-	-	-	-	-
Debt Service:					
Principal retirement	4,385	72,965	-	3,643	-
Interest and fiscal charges	468	9,750	-	257	-
Total expenditures	17,279,442	5,882,701	6,130,825	2,489,880	2,618,770
Excess (deficiency) of revenues over (under) expenditures	(2,649,107)	(115,685)	967,069	10,952	(41,813)
Other Financing Sources (Uses)					
Transfers in	713,770	-	-	-	65,011
Transfers out	(539,106)	-	-	-	-
Total other financing sources (uses)	174,664	-	-	-	65,011
Net change in fund balances	(2,474,443)	(115,685)	967,069	10,952	23,198
Fund balance, beginning of year	11,410,134	6,684,925	8,305,007	1,492,728	464,447
Fund balance, end of year	$ 8,935,691	$ 6,569,240	$ 9,272,076	$ 1,503,680	$ 487,645

See accompanying notes to the basic financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 725,996	$ 10,220,668
-	5,195,983
2,436,250	6,378,315
13,656	33,748
18,641	72,328
7,453,225	18,200,237
328	1,795,808
-	15,000
15,485	57,670
-	249,645
96,404	1,113,617
10,759,985	43,333,019
1,013,737	10,549,273
467,111	2,719,236
736,640	5,516,302
2,205,186	8,129,518
267,501	6,432,915
2,755,699	8,254,760
776,502	930,522
2,587,209	2,587,209
110,000	190,993
28,250	38,725
10,947,835	45,349,453
(187,850)	(2,016,434)
442,143	1,220,924
(695,206)	(1,234,312)
(253,063)	(13,388)
(440,913)	(2,029,822)
11,250,445	39,607,686
$ 10,809,532	$ 37,577,864

CARROLL COUNTY, OHIO

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2025

Net change in fund balances - total governmental funds	$	(2,029,822)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:		
Capital asset additions		10,591,381
Depreciation expense		(3,000,865)
In the statement of activities, loss on disposal of capital assets is reported, whereas only proceeds from sales are reported in the funds.		(117,803)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(320,040)
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		126,569
Interest on long-term debt		1,889
Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position. In the current year, these amounts consisted of general obligation bonds, lease-purchases, and lease liabilities.		190,993
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pensions		2,269,847
OPEB		13,648
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net OPEB assets and liabilities are reported as pension and OPEB expenses in the statement of activities.		
Pensions		(2,707,331)
OPEB		627,510
Change in net position of governmental activities	$	5,645,976

CARROLL COUNTY, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary (Non-GAAP) Basis

General Fund

Year Ended December 31, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance From Final Budget
Revenues				
Property and other local taxes	$ 3,400,000	$ 3,699,747	$ 3,699,747	$ -
Sales taxes	3,500,000	5,068,857	5,068,857	-
Charges for services	1,271,200	1,721,616	1,721,616	-
Licenses and permits	13,900	20,092	20,092	-
Fines and forfeitures	31,500	46,732	46,732	-
Intergovernmental	1,075,000	1,140,886	1,140,886	-
Investment income	1,050,000	1,542,655	1,542,655	-
Rental income	18,000	15,000	15,000	-
Contributions and donations	-	5,000	5,000	-
Oil and gas lease	225,000	249,645	249,645	-
Other	286,500	583,424	583,424	-
Total revenues	10,871,100	14,093,654	14,093,654	-
Expenditures				
Current:				
General government:				
Legislative and executive	8,961,500	10,200,983	8,997,756	1,203,227
Judicial	2,613,670	2,613,670	2,288,322	325,348
Public safety	5,640,656	5,651,624	4,676,548	975,076
Public works	138,987	139,119	127,337	11,782
Health	8,300	8,300	8,216	84
Human services	766,151	766,152	421,958	344,194
Economic development and assistance	152,800	154,100	154,020	80
Total expenditures	18,282,064	19,533,948	16,674,157	2,859,791
Excess (deficiency) of revenues over (under) expenditures	(7,410,964)	(5,440,294)	(2,580,503)	2,859,791
Other Financing Sources (Uses)				
Transfers in	-	719,070	719,070	-
Transfers out	(2,050,260)	(714,659)	(681,106)	33,553
Advances in	-	-	138,192	138,192
Advances out	-	-	(152,490)	(152,490)
Total other financing sources (uses)	(2,050,260)	4,411	23,666	19,255
Net change in fund balances	(9,461,224)	(5,435,883)	(2,556,837)	$ 2,879,046
Fund balance, beginning of year	8,682,540	8,682,540	8,682,540	
Fund balance, end of year	$ (778,684)	$ 3,246,657	$ 6,125,703	

See accompanying notes to the basic financial statements.

CARROLL COUNTY, OHIO
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary (Non-GAAP) Basis
Motor Vehicle and Gas Tax Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance
	Original	Final	Actual	From Final Budget
Revenues				
Fines and forfeitures	$ 5,000	$ 6,127	$ 6,127	$ -
Intergovernmental	5,250,000	5,452,191	5,452,191	-
Investment income	200,000	170,686	170,686	-
Contributions and donations	500	14,537	14,537	-
Other	23,750	109,313	109,313	-
Total revenues	5,479,250	5,752,854	5,752,854	-
Expenditures				
Current:				
Public works	5,478,240	5,993,240	5,572,652	420,588
Total expenditures	5,478,240	5,993,240	5,572,652	420,588
Excess (deficiency) of revenues over (under) expenditures	1,010	(240,386)	180,202	420,588
Net change in fund balances	1,010	(240,386)	180,202	$ 420,588
Fund balance, beginning of year	4,176,002	4,176,002	4,176,002	
Fund balance, end of year	$ 4,177,012	$ 3,935,616	$ 4,356,204	

See accompanying notes to the basic financial statements.

CARROLL COUNTY, OHIO
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary (Non-GAAP) Basis
County Board of Developmental Disabilities
Year Ended December 31, 2025

	Budgeted Amounts			Variance From Final Budget
	Original	Final	Actual	
Revenues				
Property and other local taxes	$ 3,800,000	$ 4,206,592	$ 4,206,592	$ -
Charges for services	1,030,000	999,949	999,949	-
Intergovernmental	1,210,201	1,790,365	1,790,365	-
Total revenues	6,040,201	6,996,906	6,996,906	-
Expenditures				
Current:				
Health	6,118,701	6,694,272	6,232,595	461,677
Total expenditures	6,118,701	6,694,272	6,232,595	461,677
Excess (deficiency) of revenues over (under) expenditures	(78,500)	302,634	764,311	461,677
Other Financing Sources (Uses)				
Transfers in	-	1,000,000	1,000,000	-
Transfers out	(500,000)	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	(500,000)	-	-	-
Net change in fund balances	(578,500)	302,634	764,311	$ 461,677
Fund balance, beginning of year	7,446,104	7,446,104	7,446,104	
Fund balance, end of year	$ 6,867,604	$ 7,748,738	$ 8,210,415	

See accompanying notes to the basic financial statements.

CARROLL COUNTY, OHIO
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary (Non-GAAP) Basis
County Home
Year Ended December 31, 2025

	Budgeted Amounts			Variance From Final
	Original	Final	Actual	Budget
Revenues				
Property and other local taxes	$ 1,450,000	$ 1,547,236	$ 1,547,236	$ -
Charges for services	1,000,000	906,538	906,538	-
Intergovernmental	21,000	22,287	22,287	-
Other	3,000	18,056	18,056	-
Total revenues	2,474,000	2,494,117	2,494,117	-
Expenditures				
Current:				
Human services	2,582,444	2,676,821	2,450,165	226,656
Total expenditures	2,582,444	2,676,821	2,450,165	226,656
Net change in fund balances	(108,444)	(182,704)	43,952	$ 226,656
Fund balance, beginning of year	1,479,208	1,479,208	1,479,208	
Fund balance, end of year	$ 1,370,764	$ 1,296,504	$ 1,523,160	

See accompanying notes to the basic financial statements.

CARROLL COUNTY, OHIO
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary (Non-GAAP) Basis
Public Assistance Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance
	Original	Final	Actual	From Final Budget
Revenues				
Intergovernmental	$ 2,902,011	$ 2,295,328	$ 2,295,328	$ -
Other	273,800	301,252	301,252	-
Total revenues	3,175,811	2,596,580	2,596,580	-
Expenditures				
Current:				
Human services	3,883,448	3,883,448	3,468,955	414,493
Total expenditures	3,883,448	3,883,448	3,468,955	414,493
Excess expenditures over revenues	(707,637)	(1,286,868)	(872,375)	414,493
Other Financing Sources				
Transfers in	709,600	926,396	926,396	-
Total other financing sources	709,600	926,396	926,396	-
Net change in fund balances	1,963	(360,472)	54,021	$ 414,493
Fund balance, beginning of year	653,224	653,224	653,224	
Fund balance, end of year	$ 655,187	$ 292,752	$ 707,245	

See accompanying notes to the basic financial statements.

CARROLL COUNTY, OHIO
Statement of Net Position
Proprietary Funds - Enterprise Funds
December 31, 2025

	Sewer	Landfill	Total
Assets			
Current assets:			
Equity in pooled cash and cash equivalents	$ 1,248,678	$ 67,351	$ 1,316,029
Cash in segregated accounts	83,301	-	83,301
Receivables (net of allowances):			
Accounts	84,499	-	84,499
Prepaid items	417	-	417
Total current assets	1,416,895	67,351	1,484,246
Noncurrent assets:			
Net OPEB asset	41,753	-	41,753
Nondepreciable capital assets	7,500	-	7,500
Depreciable capital assets, net	3,149,989	-	3,149,989
Total noncurrent assets	3,199,242	-	3,199,242
Total assets	4,616,137	67,351	4,683,488
Deferred Outflows of Resources			
Pensions	109,047	-	109,047
OPEB	1,559	-	1,559
Total deferred outflows of resources	110,606	-	110,606
Liabilities			
Current liabilities:			
Accounts payable	21,824	-	21,824
Accrued wages and benefits payable	24,592	-	24,592
Due to other governments	4,850	-	4,850
Compensated absences payable	39,516	-	39,516
Estimated liability for landfill postclosure costs	-	78,215	78,215
OWDA loans payable	125,355	-	125,355
Total current liabilities	216,137	78,215	294,352
Noncurrent liabilities:			
Compensated absences	62,598	-	62,598
Estimated liability for landfill postclosure costs	-	1,552,438	1,552,438
OWDA loans payable	1,685,774	-	1,685,774
Net pension liability	451,252	-	451,252
Total noncurrent liabilities	2,199,624	1,552,438	3,752,062
Total liabilities	2,415,761	1,630,653	4,046,414
Deferred Inflows of Resources			
Pensions	9,264	-	9,264
OPEB	8,057	-	8,057
Total deferred inflows of resources	17,321	-	17,321
Net Position			
Net investment in capital assets	1,346,360	-	1,346,360
Restricted for other purposes	41,753	-	41,753
Unrestricted (deficit)	905,548	(1,563,302)	(657,754)
Total net position	$ 2,293,661	$ (1,563,302)	$ 730,359

See accompanying notes to the basic financial statements.

CARROLL COUNTY, OHIO
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds - Enterprise Funds
Year Ended December 31, 2025

	Sewer	Landfill	Total
Operating Revenues			
Charges for services	$ 1,022,226	$ -	$ 1,022,226
Other	31,852	-	31,852
Total operating revenues	1,054,078	-	1,054,078
Operating Expenses			
Personal services	506,801	-	506,801
Contract services	263,588	6,649	270,237
Materials and supplies	145,416	300	145,716
Depreciation	222,394	-	222,394
Total operating expenses	1,138,199	6,949	1,145,148
Operating loss	(84,121)	(6,949)	(91,070)
Nonoperating revenues (expenses)			
Interest and fiscal charges	(24,638)	-	(24,638)
Interest income	65,141	-	65,141
Intergovernmental	-	38,388	38,388
Total nonoperating revenues (expenses)	40,503	38,388	78,891
Income (loss) before transfers	(43,618)	31,439	(12,179)
Transfers in	-	13,388	13,388
Change in net position	(43,618)	44,827	1,209
Net position, beginning of year	2,337,279	(1,608,129)	729,150
Net position, end of year	$ 2,293,661	$ (1,563,302)	$ 730,359

See accompanying notes to the basic financial statements.

CARROLL COUNTY, OHIO
Statement of Cash Flows
Proprietary Funds - Enterprise Funds
Year Ended December 31, 2025

	Sewer	Landfill	Total
Cash Flows from Operating Activities			
Cash received from customers	$ 1,022,557	$ -	$ 1,022,557
Cash received from other receipts	31,852	-	31,852
Cash payments for employee services and benefits	(498,606)	-	(498,606)
Cash payments to suppliers for goods and services	(410,250)	(58,802)	(469,052)
Net cash flows from operating activities	145,553	(58,802)	86,751
Cash Flows from Noncapital Financing Activities			
Cash received from other funds	-	13,388	13,388
Cash received from grants	-	38,388	38,388
Net cash flows from noncapital financing activities	-	51,776	51,776
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(56,066)	-	(56,066)
Principal paid on bonds	(123,832)	-	(123,832)
Interest paid on bonds	(24,638)	-	(24,638)
Net cash flows from capital and related financing activities	(204,536)	-	(204,536)
Cash Flows from Investing Activities			
Interest on investments	65,141	-	65,141
Net cash flows from investing activities	65,141	-	65,141
Net increase in cash and cash equivalents	6,158	(7,026)	(868)
Cash and cash equivalents beginning of year	1,325,821	74,377	1,400,198
Cash and cash equivalents end of year	$ 1,331,979	$ 67,351	$ 1,399,330
Reconciliation of operating loss to net cash flows from operating activities:			
Operating loss	$ (84,121)	$ (6,949)	$ (91,070)
Adjustments to reconcile operating loss to net cash from operating activities:			
Depreciation	222,394	-	222,394
Changes in assets, liabilities and deferred outflows/inflows:			
Receivables (excluding interest on investments)	331	-	331
Prepaid items	852	-	852
Accounts payable	(2,403)	(11,398)	(13,801)
Accrued wages and benefits	1,348	-	1,348
Due to other governments	305	-	305
Compensated absences	(17,106)	-	(17,106)
Landfill postclosure liability	-	(40,455)	(40,455)
Deferred outflows-pension and OPEB	44,029	-	44,029
Deferred inflows-pension and OPEB	6,522	-	6,522
Net OPEB asset	(26,768)	-	(26,768)
Net pension and OPEB liabilities	170	-	170
Net cash flows from operating activities	$ 145,553	$ (58,802)	$ 86,751

See accompanying notes to the basic financial statements.

CARROLL COUNTY, OHIO
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2025

Assets	
Equity in pooled cash and cash equivalents	$ 5,311,570
Cash in segregated accounts	203,549
Receivables:	
Property and other taxes	63,534,566
Accounts	209,790
Special assessments	244,688
Intergovernmental	1,959,087
Total assets	71,463,250
Liabilities	
Accounts payable	35,779
Due to other governments	4,955,420
Total liabilities	4,991,199
Deferred Inflows of Resources	
Property taxes levied for next year	56,223,257
Net Position	
Restricted for individuals, organizations and other governments	$ 10,248,794

See accompanying notes to the basic financial statements.

CARROLL COUNTY, OHIO
Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended December 31, 2025

Additions	
Collections for other governments and organizations:	
Property and other taxes	$ 71,637,168
Charges for services	1,660,505
Licenses, permits and fees	625,934
Fines and forfeitures	6,446,269
Grants and intergovernmental	3,797,922
Investment earnings	28,297
Contributions and donations	61,453
Other	9,652,716
Total additions	93,910,264
Deductions	
Distributions to other governments and organizations	10,963,909
Distributions as fiscal agent	3,766,118
Distributions of property and other taxes	79,987,684
Total deductions	94,717,711
Change in net position	(807,447)
Net position beginning of year	11,056,241
Net position end of year	$ 10,248,794

See accompanying notes to the basic financial statements.

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NOTE 1 – DESCRIPTION OF THE COUNTY

Carroll County, Ohio (the "County"), was created in 1812. The County is governed by a board of three commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body, and the chief administrators of public services for the County. Other officials elected by the voters of the County that manage various segments of the County's operations are: the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, a Probate Court Judge and a County Municipal Court Judge.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

Blended Component Units

<u>*Emergency Management Agency (EMA)*</u> - The financial activities of the EMA will be blended into the County's financial statements. The County Commissioners appoint a majority of the Board members and finance the operations of the EMA. The operations of the EMA are accounted for in the general fund. Capital assets and long-term obligations associated with the EMA are reflected in the statement of net position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Carroll County Economic Development Council (Council) - The Council's Board is comprised of the Carroll County Commissioners which appoint an Advisory Committee to oversee the operations of the Council. The Council is not legally separate from the County and, therefore, its financial activities are blended with that of the County. The operations of the Council are accounted for as a separate nonmajor governmental fund.

Local Emergency Planning Commission (LEPC) - The LEPC consists of an eleven to fifteen-member Board. The Board, which oversees the operations of the LEPC, is recommended by the County Commissioners and appointed by the State Emergency Response Commission (SERC). The members consist of County officials, a fire enforcement representative and representatives from County agencies, Red Cross, emergency medical services, a legal representative and a township trustee.

The LEPC receives its funding strictly through grant money received from the SERC to be used for the purpose of developing, preparing, reviewing, exercising or revising chemical emergency response and preparedness plans and awareness and education programs in the County. The approval of the County Commissioners is required for most major expenditures to be made. The operations of the LEPC are accounted for as a separate nonmajor governmental fund. Capital assets and long-term obligations associated with these operations are reflected in the statement of net position.

Related Organizations

Carroll County Public Library (Library) - The Library is statutorily created as a separate and distinct political subdivision of the State. Four trustees of the Library are appointed by the County Commissioners and three trustees are appointed by the Judge of Common Pleas court. The Board of Library trustees is a body politic and corporate, capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real and personal property, and of exercising such other powers and privileges as are conferred upon them by law. The Library Board approves their own budget and then sends a copy to the County budget commission. The County serves as the taxing authority for the Library, but the Library is not considered part of the County. The trustees adopt their own appropriations, hire and fire their own staff, authorize Library expenditures and do not rely on the County to finance deficits.

Carroll County Airport Authority (Authority) - The Authority is a separate legal entity from the County. The County appoints a voting majority of the Authority's Board, but is not "accountable" for its operations. The Authority is not fiscally dependent upon the County nor is there a financial benefit/burden relationship.

Excluded Potential Component Units

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, are designated as the fiscal officer and treasurer for various agencies, boards, and commissions. As fiscal officer, the County Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the treasurer and custodian of all public funds, the County Treasurer invests public monies held on deposit in the County Treasury.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

In the case of the separate agencies, boards, and commissions listed below the County serves as fiscal agent and custodian, but is not accountable; therefore the operations of the following PCU's have been excluded from the County's basic financial statements, but the funds held on behalf of these PCU's in the County Treasury are included in the custodial funds.

Carroll County Board of Health
Soil and Water Conservation District
Carroll County Regional Planning Commission
Family & Children First Council
CCH Solid Waste District
Bluebird Farm Park
Carroll County Parks District

Jointly Governed Organization

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

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

Mid East Ohio Regional Council of Governments (MEORC) - MEORC is a jointly governed organization which serves eighteen counties in Ohio. MEORC provides services to the developmentally disabled residents in the participating counties. MEORC is made up of the superintendents of each county's Board of Developmental Disabilities. Revenues are generated by fees and State grants. Continued existence of MEORC is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the MEORC. MEORC has no outstanding debt. During 2025, Carroll County paid $99,983 to MEORC for services.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Regional Transportation Improvement Project (RTIP) US 30 Extension Project – The RTIP is a jointly governed transportation improvement agency authorized under Ohio law and serving Carroll, Columbiana and Stark counties. The RTIP uses tax increment financing and other innovative means to project finance to raise funds for transportation improvements. One County Commissioner and the County Engineer from each of the member counties serve on the Board. Stark County is the fiscal agent for the agency. The current project is an extension of the four-lane US 30 freeway from Trump Avenue, east of Canton, to SR 44, in Stark County.

Joint Ventures Without Equity Interest

Multi-County Juvenile Attention System (Attention System) - The Attention System, a six-county operation, provides services to Carroll, Columbiana, Holmes, Stark, Tuscarawas and Wayne Counties. The Attention System consists of four group homes, four detention facilities, one treatment center and one shelter care facility. The Board of Trustees consists of three members from each County, with the exception of Stark County which has four members. Two members from each county are appointed by a Judge from that county (three from Stark County), and one member from each county is a County Commissioner. A Superintendent of the Attention System is appointed by the Board of Trustees. State grant monies are applied for from the Ohio Department of Youth Services and received by the Board of Trustees. Other revenues consist of County contributions based on prior year's usage and County population, and donations from organizations.

Policies are outlined by State guidelines, as well as the Board of Trustees of the Attention System.

The County cannot significantly influence operations, the Board has sole budgetary authority, the Board controls surpluses and deficits and the County is not legally or morally obligated for any debt. In 2025, the County contributed $79,371 to the Attention System. Complete financial statements for the Attention System can be obtained from Melissa Clark, Director of Administrative Services of Multi-County Juvenile Attention System, 815 Faircrest St. S.W., Canton, Ohio 44706.

Carroll/Columbiana/Harrison Solid Waste Management District (Solid Waste District) - The Solid Waste District is a three-county district. The twenty-one-member committee consists of the County Health Commissioner, or his appointee; the chairman of the County Commissioners, or his appointee; a member of the County Trustees Association; the Mayor of the largest municipality, or his appointee; two members of the public at large; and a representative of the generators of waste or an appointee, from each of the three counties.

The plan for the Solid Waste District has been in effect for approximately five years. The committee has thus far been financed through a portion of the tipping/disposal fees from the landfills, as well as from grant monies. Complete financial statements for the Solid Waste District can be obtained from their office located at 1138 Cobbler Rd NE, Carrollton, Ohio 44615.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Alcohol, Drug Addiction and Mental Health Services Board of Carroll and Tuscarawas Counties (ADAMH Board) - The ADAMH Board is a two County non-profit corporation whose general purpose is to provide leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming, while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services. The Board of Trustees of the ADAMH Board consists of eighteen members. Four members are appointed by the Director of the Ohio Department of Mental Health and four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services. The remaining members are appointed by the County Commissioners of Carroll and Tuscarawas Counties in the same proportion as each County's population bears to the total population of the two counties combined.

Tuscarawas County acts as the fiscal agent for the ADAMH Board. The Board receives tax revenue from Tuscarawas County and receives federal and State funding grant monies which are applied for and received by the Board of Trustees.

The County cannot significantly influence operations of the ADAMH Board. The Board has sole budgetary authority and controls surpluses and deficits and the County is not legally or morally obligated for the Board's debt. The ADAMH Board will not be included as part of Carroll County. Due to the ongoing financial relationship of the County to the ADAMH Board, it will be disclosed as a joint venture without equity interest in the County's financial statements. Complete financial statements from the ADAMH Board can be obtained from their office located at P.O. Box 6217, 1260 Monroe Street N.W., Suite 27N, New Philadelphia, Ohio 44663.

B. Basis of Presentation

Government-wide Financial Statements **-** The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the single business-type activity of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. The policy of the County is to not allocate indirect expenses to functions in the statement of activities. 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. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

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.

C. Fund Accounting

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

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

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

Motor Vehicle and Gas Tax Fund - This fund accounts for and reports monies received by the County for State gasoline tax and vehicle registration fees that are restricted for County road and bridge maintenance, construction and improvements.

County Board of Developmental Disabilities (County Board of DD) Fund - This fund accounts for and reports financial resources received from countywide property tax levy and Federal and State grants that are restricted for use in the operation of a school and the costs of administering a workshop for the developmentally disabled.

County Home Fund - This fund accounts for and reports financial resources received from a countywide tax levy, Medicare and charges for services that are restricted to providing room, board and care of the indigent elderly population of the County.

Public Assistance Fund - This fund accounts for and reports financial resources received from Federal and State sources that are restricted for human service programs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Other governmental funds of the County are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The County's only proprietary funds are enterprise funds which are used to account for any activity for which a fee is charged to external users for goods or services. The County has presented the following major enterprise funds:

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

Fiduciary Funds - Fiduciary fund reporting focuses on fiduciary net position and changes in fiduciary net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. The County's only fiduciary funds are custodial funds. The County's custodial funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent and for taxes, State-levied shared revenues and fines and forfeitures collected and distributed to other political subdivisions.

D. Measurement Focus

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

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

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

E. 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 and custodial funds also 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 inflows and deferred outflows, 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 full accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty days of year end.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On a full accrual basis, revenue from sales taxes is recognized in the year in which the sales are made (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from all other nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the statements of net position for pensions and other postemployment benefits (OPEB) and are explained in Notes 13 and 14, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources until that time. For the County, deferred inflows of resources include property taxes, unavailable revenue, pensions and other postemployment benefits. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2025, but which were levied to finance 2026 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the County unavailable revenue includes, but is not limited to, delinquent property taxes, sales taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflows of resources related to pensions and OPEB are explained in Notes 13 and 14, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

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

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

F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners.

Tax Budget - A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The purpose of the Tax Budget is to reflect the need for existing (or increased) tax rates.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund.

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the County Auditor determines that revenue to be collected will be greater than or less than the prior estimates and the Budget Commission find the revised estimates to be reasonable. The amounts set forth in the budgetary statements represent estimates from the original and final amended certificate issued during 2025.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Appropriations - A temporary appropriation resolution to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual Appropriation Resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The County legally adopted several supplemental appropriations during the year. The original budget and all budgetary amendments and supplemental appropriations necessary during 2025 are included in the final budget amounts in the budget-to-actual comparisons.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

G. Cash and Investments

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

Investments in nonparticipating interest-earning investment contracts, such as nonnegotiable certificates of deposit, are reported at amortized cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during 2025 amounted to $1,627,518, which includes $1,158,352 assigned from other County funds.

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

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the County's investment account at year end is provided in Note 4.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

H. Materials and Supplies Inventory

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

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

Inventory consists of expendable supplies held for consumption.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The County maintains its capitalization threshold at $2,500. The County's infrastructure consists of roads, bridges, culverts and sanitary sewers. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying assets. All other reported 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 replacements.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land improvements	10 - 40 years	N/A
Buildings and improvements	5 - 40 years	40 years
Furniture and equipment	5 - 20 years	5 - 20 years
Infrastructure	4 - 60 years	50 years
Vehicles	5 - 30 years	N/A

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

J. Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave.

A liability for compensated absences is recorded as incurred in the government-wide statement of net position using the first-in, first-out flow assumption, where the oldest accumulated leave is the leave used first. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary related benefits, where applicable.

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

Sick leave benefits considered more likely than not to be used or settled at termination are recognized as a liability in the financial statements. The amount is based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the County's termination policy.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2025, are recorded as prepayments using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

L. Accrued Liabilities and Long-term Obligations

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

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

M. Interfund Transactions

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

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

Outstanding advances between funds are reported as "interfund loans receivable/payable" and "due from/to other funds". These amounts are eliminated in the statement of net position, except for any residual balances outstanding between the governmental activities and business-type activities, which are reported in the government-wide financial statements as "internal balances".

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

N. Fund Balance

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Board of Commissioners.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for services for the sewer operations and other revenues related to the Landfill Fund. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

P. Restricted Assets

Certain cash and cash equivalents are classified as restricted cash on the financial statements because their use is limited by debt covenants. Restricted cash balances have been reported also as restricted net position since they are not available for general operating use. There was no restricted cash reported as of December 31, 2025.

Q. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net position restricted for other purposes consists primarily of programs to enhance the security of persons and property and the community environment.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

R. Estimates

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

S. Pensions and Other Postemployment Benefits (OPEB)

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

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances

Fund balances at December 31, 2025 included the following individual fund deficits:

Nonmajor Governmental Funds:	
Dog & Kennel	$ 731
CDBG Home Loan Fund	115,545
School Resource Officer	38,449
Community Based Corrections Grant	2,642
Building Demo & Site Revitalization	145,380
Domestic Violence	296

These funds complied with State law, which does not permit a cash basis deficit at year end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities. The deficit net position in the Landfill enterprise fund resulted from the reporting of a $1,630,653 liability for estimated post closure care costs.

NOTE 4 – DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet 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.

NOTE 4 – DEPOSITS AND INVESTMENTS – *continued*

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool, State Treasury Asset Reserve of Ohio (STAR Ohio);

7. Certain banker’s acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

NOTE 4 – DEPOSITS AND INVESTMENTS – *continued*

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash in Segregated Accounts

At year-end, the County had $1,363,228 cash and cash equivalents deposited separately from the County's internal investment pool. This amount is included in the amount of "Deposits with Financial Institutions" below.

B. Deposits with Financial Institutions

At December 31, 2025, the carrying amount of all County deposits was $43,144,515. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2025, $41,916,121 of the County's bank balance of $43,166,121 was exposed to custodial risk, as discussed below, while $1,250,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. As permitted by Ohio Revised Code, the County's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System in the name of the depository bank. Financial institutions participating in the Ohio Pooled Collateral System (OPCS), a centralized collateral system monitored by the Ohio Treasurer of State, must pledge eligible securities equal to at least 102% of the carrying value of all public deposits held by each institution. Financial institutions choosing not to participate in the OPCS must pledge eligible securities equal to at least 105% of the carrying value of all public deposits held by each institution. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all the statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

C. Investments

At December 31, 2025, the County had no investments.

NOTE 4 – DEPOSITS AND INVESTMENTS – *continued*

D. Reconciliation of Deposits to the Statement of Net Position

The following is a reconciliation of deposits and investments as reported in the note above to cash and cash equivalents as reported on the statement of net position as of December 31, 2025:

Deposits per note	
Carrying amount of deposits	$ 43,144,515
Cash and cash equivalents per financial statements	
Governmental Activities	36,230,066
Business-Type Activities	1,399,330
Custodial Funds	5,515,119
	$ 43,144,515

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2025, consisted of the following, as reported on the fund financial statements:

	Transfers In	Transfers Out
General Fund	$ 713,770	$ 539,106
Public Assistance Fund	65,011	-
Nonmajor Governmental Funds	442,143	695,206
Landfill Fund	13,388	-
	$ 1,234,312	$ 1,234,312

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) close out several old and completed grant program funds, and (4) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. These transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Transfers between governmental funds are eliminated for reporting on the statement of activities.

NOTE 5 – INTERFUND TRANSACTIONS – *continued*

B. Interfund Loans

Interfund loans consisted of the following at December 31, 2025, as reported on the fund financial statements:

	Interfund Receivable	Interfund Payable
General Fund	$ 152,490	$ -
Nonmajor Governmental Funds	-	152,490
	$ 152,490	$ 152,490

The interfund loan balances result from resources provided by the receivable fund to the payable fund to provide cash flow resources until anticipated revenues are received. Interfund loans payable/receivable between governmental funds are eliminated on the government-wide financial statements.

C. Due From/To Other Funds

Due from/to other funds consisted of the following at December 31, 2025, as reported on the fund financial statements:

	Due From Other Funds	Due To Other Funds
Nonmajor Governmental Funds	$ 52,281	$ 52,281

Amounts due from/to other funds represent amounts owed between funds for goods or services provided. The balances resulted from the time lag between the dates that payments between the funds are made. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the County. Taxes from real property taxes (other than public utility) collected during 2025 were levied after October 1, 2024 on assessed values as of January 1, 2024, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued sexennially, with a triennial update. Real property taxes are payable annually or semi-annually. If paid annually, payment is due in February. If paid semi-annually, the first payment is due in February, with the remainder payable by July. In certain circumstances, State statute permits earlier or later payment dates to be established.

Public utility real property taxes collected in 2025 were levied on assessed values as of January 1, 2024, the tax lien date. Public utility tangible personal property values are assessed by the Ohio Tax Commissioner at various assessment rates depending on the type of utility and property. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the County its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2025 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2025 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is considered a deferred inflow of resources.

The full tax rate for all County operations for the year ended December 31, 2025 was $11.75 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2025 property tax receipts were based are as follows:

Real Property:	
Residential/Agricultural	$ 701,354,370
Commercial/Industrial/Mineral	226,669,990
Public Utility Personal Property	284,616,320
	$ 1,212,640,680

NOTE 7 – PERMISSIVE SALES AND USE TAX

In 1985, the County Commissioners by resolution imposed a one percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of the month of collection. In 2006, this tax was approved as a permanent tax by the voters of the County.

Proceeds of the sales and use tax are credited to the general fund. A receivable is recognized on the fund statements at year end for amounts that will be received from sales which occurred during 2025 and amounts that are measurable and available at year end are accrued as revenue. Sales and use tax revenue for 2025 amounted to $5,195,983 in the General Fund.

NOTE 8 – RECEIVABLES

Receivables at December 31, 2025, consisted of accounts (billings for user charged services, including unbilled utility services); sales taxes; accrued interest; amounts due from other governments including grants, entitlements, shared revenues, and property taxes. All receivables are considered collectible in full and within one year, except for property taxes which, although ultimately collectible, include some portion of delinquencies that will not be collected within one year, and loans which are repaid over several years.

Receivables recorded on the County's financial statements are recorded to the extent the amounts are determined material and substantiated, not only by supporting documentation, but also by a reasonable systematic method of determining their existence, completeness, valuation and collectability. Using these criteria, the County has elected to not record child support arrearages in the agency funds. These amounts, while potentially significant, are not considered measurable and, because collections are often significantly in arrears, the County is unable to determine a reasonable value.

As of December 31, 2025, the County has $1,150,020 outstanding in Community Housing Impact & Preservation (CHIP) mortgage loans. However, these loans receivable are fully reserved. Funds received under this program are loaned to eligible recipients to fund home repairs and are forgiven if the homeowner remains in the home for a specified number of years. Under certain conditions, such as a transfer of ownership, sale or death, the mortgage loan may become due.

NOTE 9 – CAPITAL ASSETS

Governmental activities capital asset activity for the year ended December 31, 2025 follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land	$ 1,711,076	$ 99,700	$ -	$ -	$ 1,810,776
Construction in progress	79,416	6,189,561	(1,464,506)	-	4,804,471
Total capital assets not being depreciated	1,790,492	6,289,261	(1,464,506)	-	6,615,247
Capital assets being depreciated					
Land improvements	461,479	-	(3,015)	-	458,464
Building and improvements	19,389,945	466,274	(17,262)	-	19,838,957
Furniture and equipment	7,131,705	217,261	(1,013,184)	-	6,335,782
Vehicles	8,993,940	1,108,378	(544,421)	24,500	9,582,397
Infrastructure	68,382,227	3,974,713	(864,618)	-	71,492,322
Right-to-use lease assets	34,719	-	(8,435)	-	26,284
Total capital assets being depreciated	104,394,015	5,766,626	(2,450,935)	24,500	107,734,206
Less: Accumulated depreciation:					
Land improvements	(245,856)	(24,133)	3,015	-	(266,974)
Building and improvements	(14,358,119)	(367,166)	17,262	-	(14,708,023)
Furniture and equipment	(6,240,962)	(95,888)	998,784	-	(5,338,066)
Vehicles	(6,790,286)	(637,483)	514,706	(24,500)	(6,937,563)
Infrastructure	(38,406,912)	(1,872,062)	794,306	-	(39,484,668)
Right-to-use lease assets	(18,861)	(4,133)	5,059	-	(17,935)
Total accumulated depreciation	(66,060,996)	(3,000,865)	2,333,132	(24,500)	(66,753,229)
Total capital assets being depreciated, net	38,333,019	2,765,761	(117,803)	-	40,980,977
Net governmental activities capital assets	$ 40,123,511	$ 9,055,022	$ (1,582,309)	$ -	$ 47,596,224

Depreciation and amortization expense were charged to governmental functions as follows:

Legislative and executive	$ 233,669
Judicial	31,493
Public safety	52,581
Public works	2,480,138
Health	51,465
Human services	151,519
Total	$ 3,000,865

NOTE 9 – CAPITAL ASSETS – *continued*

Business-type activities capital asset activity for the year ended December 31, 2025 follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-Type Activities					
Capital assets not being depreciated					
Land	$ 7,500	$ -	$ -	$ -	$ 7,500
Capital assets being depreciated					
Building and improvements	469,079	-	-	-	469,079
Machinery and equipment	1,168,341	56,066	-	(24,500)	1,199,907
Sewer lines	9,997,708	-	-	-	9,997,708
Total capital assets being depreciated	11,635,128	56,066	-	(24,500)	11,666,694
Less: Accumulated depreciation:					
Building and improvements	(454,459)	(596)	-	-	(455,055)
Machinery and equipment	(1,116,484)	(21,844)	-	24,500	(1,113,828)
Sewer lines	(6,747,868)	(199,954)	-	-	(6,947,822)
Total accumulated depreciation	(8,318,811)	(222,394)	-	24,500	(8,516,705)
Total capital assets being depreciated, net	3,316,317	(166,328)	-	-	3,149,989
Net business-type activities capital assets	$ 3,323,817	$ (166,328)	$ -	$ -	$ 3,157,489

NOTE 10 – COMPENSATED ABSENCES

County employees earn vacation at varying rates ranging from two to five weeks per year. Sick leave is accumulated at the rate of 4.6 hours per 80 hours worked. Vacation and sick leave are accumulated on an hours-worked basis. Vacation pay is vested after one year and sick pay upon eligibility for retirement. Accumulated vacation cannot exceed three times the annual accumulation rate for an employee.

Upon termination of County service, fully vested employees are entitled to a percentage of their accumulated sick leave based on their years of service not to exceed 30 days and all accumulated vacation.

At December 31, 2025, the compensated absences liability for vacation leave for governmental fund type employees totaled $1,089,249 and the liability for sick leave totaled $1,805,509. For proprietary fund types, the compensated absences liability for vacation leave totaled $23,143 and the liability for sick leave totaled $78,971.

NOTE 11 – LONG-TERM OBLIGATIONS

The following activity occurred in the County's governmental long-term obligations during 2025:

	Issue Date	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:							
Direct Placement:							
General Obligation Bonds:							
Various Purpose Refunding 1.93%	9/30/21	10/1/36	$ 1,463,700	$ -	$ (110,000)	$ 1,353,700	$ 112,000
Direct Borrowing:							
Lease-Purchase Agreements	various	various	158,032	-	(76,608)	81,424	78,938
Lease Liabilities	various	various	13,314	-	(4,385)	8,929	4,570
Other Long-Term Obligations:							
Compensated Absences *			3,021,327	-	(126,569)	2,894,758	903,460
Total Governmental Activities			$ 4,656,373	$ -	$ (317,562)	$ 4,338,811	$ 1,098,968

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

General Obligation Bonds: The direct placement general obligation bonds are supported by the full faith and credit of the County. The bonds were issued to provide resources for building renovations and improvements, including energy conservation measures, jail improvements and bell tower renovations. These bonds are being retired through rental charges and other County operating sources.

In 2021, the County issued $1,781,700 in various purpose refunding bonds to refund the County Building and County Facilities general obligation bonds. The bonds are being retired from the county facilities bond fund.

Lease-Purchase Agreements: In prior years the County entered into various direct borrowing lease-purchase agreements with Huntington Public Capital and U.S. Bank Equipment Finance to finance the purchase of vehicles and copier equipment. In 2024, the County entered into a new lease-purchase agreement with Leasing 2, Inc. for the purchase of a boom mower. Title of the equipment transfers to the County upon maturity of the lease-purchase agreements. The lease-purchase agreements are being retired from the General, Motor Vehicle and Gas Tax, and County Home funds, mature at various intervals, and bear interest rates ranging from 2.17% to 7.831%.

Lease Liabilities: The County entered into lease liability agreements with ComDoc and Graphic Enterprises Office Solutions for various copier equipment. Corresponding intangible right-to-use lease assets were recorded with capital assets and two of these assets were disposed of in 2025 (see Note 9). Many of the lease liability agreements include a fixed-payment component and a variable usage-based maintenance payment component. The variable usage-based maintenance component were recognized as outflows of resources as incurred instead of being included in the measurement of the lease liabilities. The lease liabilities are being retired from the General fund and, mature at various intervals, and bear interest rates ranging from 4.13% to 6%.

NOTE 11 – LONG-TERM OBLIGATIONS – *continued*

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

Year Ended	*Direct Placement* General Obligation Bonds		*Direct Borrowing* Lease-Purchase		Lease Liabilities	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 112,000	$ 26,126	$ 78,938	$ 5,076	$ 4,570	$ 283
2027	114,000	23,964	2,486	70	4,359	91
2028	116,000	21,764	-	-	-	-
2029	118,000	19,526	-	-	-	-
2030	120,000	17,248	-	-	-	-
2031-2035	639,000	50,478	-	-	-	-
2036	134,700	2,600	-	-	-	-
Total	$ 1,353,700	$ 161,706	$ 81,424	$ 5,146	$ 8,929	$ 374

The following activity occurred in the County's business-type long-term obligations during 2025:

	Issue Date	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:							
Direct Borrowing:							
Loans Payable:							
OWDA Loan No. 9434 - 0.84%	9/23/21	1/1/32	$ 216,867	$ -	$ (30,207)	$ 186,660	$ 30,462
OWDA Loan No. 9435 - 1.35%	9/23/21	7/1/41	1,718,094	-	(93,625)	1,624,469	94,893
			1,934,961	-	(123,832)	1,811,129	125,355
Other Long-Term Obligations:							
Compensated Absences *			119,220	-	(17,106)	102,114	39,516
Landfill post-closure payable			1,671,108	18,347	(58,802)	1,630,653	78,215
			$ 3,725,289	$ 18,347	$ (199,740)	$ 3,543,896	$ 243,086

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

Loans Payable: In 2021, the County refinanced revenue bonds, originally issued for improvements to the Brown Township/Malvern sewer lines, with OWDA loans. These loans will be retired through revenues derived from sewer operations in the sewer fund.

Estimated Landfill Closure and Post Closure Costs: See Note 17 to the financial statements for detail.

NOTE 11 – LONG-TERM OBLIGATIONS – *continued*

Future Debt Service Requirements: The following is a summary of the County's future annual debt service principal and interest requirements for business-type long-term obligations:

	Direct Borrowing OWDA Loans	
Year Ended December 31,	Principal	Interest
2026	$ 125,355	$ 23,115
2027	126,896	21,574
2028	128,457	20,013
2029	130,039	18,431
2030	131,639	16,831
2031-2035	553,182	61,304
2036-2040	557,699	24,821
2041	57,862	389
Total	$ 1,811,129	$ 186,478

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

The Code further provides that the total voted and unvoted net debt of the County, less the exempt debt, shall never exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000. The assessed valuation used in determining the County's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, at December 31, 2025, the County's voted legal debt margin was $27,462,317 and the unvoted legal debt margin was $10,772,707.

NOTE 12 – RISK MANAGEMENT

A. General Insurance

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

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-five counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the CORSA are managed by an elected Board of not more than nine trustees. Only County Commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any one 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.

The County pays the State Workers' Compensation System a premium based on a rate per $100 of employee compensation. The rate is calculated based on accident history and administrative costs.

There were no significant reductions in insurance coverage from the prior year in any category of risk. Settled claims have not exceeded this insurance coverage in any of the past three years.

B. Health Care Insurance

The County has elected to provide health care insurance to employees through a fully-insured program. The County purchases commercial health care insurance from the County Employee Benefits Consortium of Ohio (CEBCO). The entire risk of loss transfers to the commercial insurance carrier. During 2025, the County offered a fully funded plan.

NOTE 13 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability or asset to employees for pensions. Pensions 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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

The net pension liability represents the County's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension 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.

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

GASB Statement No. 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers two separate pension plans. The traditional pension plan is a cost-share, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan. The traditional pension plan also includes members of the legacy combined plan, a hybrid defined benefit/defined contribution plan referred to as the combined plan division of the traditional pension plan throughout this disclosure. Prior to January 1, 2024, the combined plan was a separate pension plan. Effective January 1, 2022, the combined plan is no longer available for member selection. In October 2023, the legislature approved House Bill 33 which allowed for the consolidation of the combined plan into the traditional pension plan. The combined plan was consolidated into the traditional pension plan effective January 1, 2024 and is tracked as a separate division within the traditional pension plan. No changes were made to the benefit design features of the combined plan as part of the consolidation so that members in this plan will experience no changes.

While members (e.g., County employees) may have elected the member-directed plan, the majority of employee members are in OPERS' traditional pension plan; therefore, the following disclosure focuses on the traditional pension plan. Throughout this disclosure, references to the traditional pension plan are inclusive of the combined plan division, unless otherwise noted.

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

Members of the combined plan division earn a formula benefit similar to, but at a factor less than, the traditional pension plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Additionally, combined plan division member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment gains or losses on those contributions. Members in this division may also elect to annuitize their defined contribution account balances.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the ORC. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS's fiduciary net position that may be obtained by visiting 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.

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NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 plan as per the reduced benefits adopted by SB 343 (see OPERS' ACFR referenced above for additional information):

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 5 years of service credit or Age 55 with 25 years of service credit	*Age and Service Requirements:* Age 60 with 5 years 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
Formula: *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	*Formula:* *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	*Formula:* *Traditional Plan Formula:* 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Division Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	*Combined Plan Division Formula:* 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	*Combined Plan Division Formula:* 1% of FAS multiplied by years of service for the first 35 years and 1.25% For service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	*Age and Service Requirements:* Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	*Age and Service Requirements:* Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	*Age and Service Requirements:* Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	*Age and Service Requirements:* Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
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	*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	*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

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.

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

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

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

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

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

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

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

Funding Policy— The ORC provides statutory authority for member and employer contributions as follows:

	State and Local Divisions			
	Excluding Combined Plan Division	Combined Plan Division	Public Safety	Law Enforcement
2025 Statutory Max Contribution Rates				
Employer	14.0%	14.0%	18.1%	18.1%
Employee*	10.0%	10.0%	**	***
2025 Actual Contribution Rates				
Employer:				
Pension	14.0%	12.0%	18.1%	18.1%
Post-employment Health Care Benefits****	0.0	2.0	0.0	0.0
Total Employer	14.0%	14.0%	18.1%	18.1%
Employee	10.0%	10.0%	12.0%	13.0%

** Member contributions within the combined plan division are not used to fund the defined benefit retirement allowance.*
*** This rate is determined by OPERS' Board and has no maximum rate established by ORC.*
**** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2% greater than the Public Safety rate.*
***** These pension and employer health care rates are for the traditional pension plan. The employer contributions rate for the member-directed plan is a 4% allocation for health care, with the remainder going to pension, however, effective July 1, 2022, a portion of the health care rate is funded with reserves.*

Employer contribution rates are expressed as a percentage of covered payroll. The County's contractually required contribution for the Traditional Pension Plan was $2,240,817 for 2025. Of this amount, $189,577 is reported as due to other governments.

Plan Description – State Teachers Retirement System (STRS)

County licensed teachers and other faculty members participate in STRS Ohio, 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 (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective June 1, 2025, through May 1, 2030, any member can retire with unreduced benefits with 32 years of service credit at any age or five years of service credit and age 65. Retirement eligibility for reduced benefits is 27 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2030, through May 1, 2032, 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. 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 June 1, 2032, 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. Retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

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

The CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO 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 CO Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options in the GASB 68 schedules of employer allocations and pension amounts by employer.

A DB or CO Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members on or after July 1, 2013, must have at least 10 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.

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

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. For the fiscal year ended June 30, 2025, plan members were required to contribute 14% of their annual covered salary. The County was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2025 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS was $56,929 for 2025. Of this amount, $4,188 is reported as due to other governments.

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

The net pension liability for the OPERS Traditional Pension Plan was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. STRS total pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability 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
Proportionate Share of Net Pension Liability	$21,432,683	$473,675	$21,906,358
Proportion of Net Pension Liability	0.087427%	0.002605%	
Change in Proportion	-0.002127%	-0.000163%	
Pension Expense	$2,726,725	$20,246	$2,746,971

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

At December 31, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 410,082	$ 46,901	$ 456,983
Net differences between projected and actual investment earnings	2,528,406	-	2,528,406
Change in County's proportionate share and difference in employer contributions	-	13,456	13,456
County contributions subsequent to the measurement date	2,240,817	29,030	2,269,847
Total deferred outflows of resources	$ 5,179,305	$ 89,387	$ 5,268,692
Deferred Inflows of Resources			
Net differences between projected and actual investment earnings	$ -	$ 65,645	$ 65,645
Change in County's proportionate share and difference in employer contributions	439,968	23,157	463,125
Total deferred inflows of resources	$ 439,968	$ 88,802	$ 528,770

$2,269,847 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	STRS	Total
Year Ending December 31:			
2026	$ 1,181,531	$ 35,225	$ 1,216,756
2027	2,610,197	(23,500)	2,586,697
2028	(975,525)	(23,306)	(998,831)
2029	(317,683)	(16,864)	(334,547)
	$ 2,498,520	$ (28,445)	$ 2,470,075

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

Actuarial Assumptions - OPERS

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

Projections of 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 in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	2.75%
Future salary increases (including inflation)	2.75% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 2.90% simple through 2025, then 2.05% simple
Investment rate of return	6.90%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previous 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.

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

During 2024, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, including the defined benefit component of the Combined Plan division, 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 8.8% for 2024.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return over a 20-year period are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized in the following table. A simple weighted sum of asset class returns will not yield the results shown on the table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.42%
Domestic Equities	21.00%	5.70%
Real Estate	13.00%	4.17%
Private Equity	15.00%	8.40%
International Equities	20.00%	6.10%
Risk Parity	2.00%	4.40%
Other Investments	5.00%	2.54%
Total	100.00%	

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

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

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 calculated using the current period discount rate assumption of 6.9%, 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%) and one-percentage point higher (7.9%) than the current rate:

	1% Decrease (5.9%)	Discount Rate of 6.9%	1% Increase (7.9%)
County's proportionate share of the net pension liability	$ 35,063,397	$ 21,432,683	$ 10,106,539

Actuarial Assumptions – STRS

The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Varies by service from 2.5% to 8.5%
Payroll increases	3.00%
Investment rate of return	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%
Cost-of-living adjustments (COLA)	0%

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

The actuarial assumptions used in the June 30, 2025 valuation are based on the results of the latest available actual experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

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%
	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 2.4%, and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.*

Assumption and Benefit Changes Since the Prior Measurement Date - Effective July 1, 2025, a 1.5% one-time ad-hoc Cost-of-Living Adjustment (COLA) of the base benefit was granted to eligible benefit recipients. The COLA will be added to the base benefit on the retirement anniversary date and each month thereafter.

A one-time supplemental benefit payment for eligible benefit recipients who started receiving benefits in or prior to January 2024. The supplemental benefit of $302 million was paid in December 2024.

Effective June 1, 2025, through May 1, 2030, any member can retire with unreduced benefits with 32 years of service credit at any age or five years of service credit and age 65. Retirement eligibility for reduced benefits is 27 years of service credit at any age; or five years of service credit and age 60.

Effective June 1, 2030, through May 1, 2032, 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. 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 June 1, 2032, 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. Retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

NOTE 13 – DEFINED BENEFIT PENSION PLANS – *continued*

Discount Rate – The discount rate used to measure the total pension liability was 7.0% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. 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's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2025. Therefore, the long-term expected rate of return on pension plan investments of 7.0% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2025.

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 7.0%, 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 (6.0%) or one-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Discount Rate of 7.0%	1% Increase (8.0%)
County's proportionate share of the net pension liability	$ 790,302	$ 473,675	$ 205,926

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS

Net OPEB Liability/(Asset)

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

The net OPEB liability/(asset) represents the County's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net 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 these estimates annually.

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

ORC limits the County's obligation for this liability to annual required payments. The County cannot control benefit terms or the manner in which OPEB are financed; however, the County does receive the benefit of employees' services in exchange for compensation, including OPEB.

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The ORC permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/(asset). Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's funded or unfunded benefits are presented as either a long-term *net OPEB asset* or *net OPEB liability* on the accrual basis of accounting. Any liability for contractually-required 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.

Plan Description—Ohio Public Employees Retirement System (OPERS)

The OPERS administers two separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; and the member-directed plan, a defined contribution plan.

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

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

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

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

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

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

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

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

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

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

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

Group A 30 years of qualified health care service credit;

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

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

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

Members with a retirement date prior to December 1, 2014, with at least 10 years of qualifying health care service credit will continue to be eligible for OPERS health care program. Members with a retirement date after December 1, 2014, but prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements: ***December 1, 2014, or Prior***	**Age and Service Requirements:** ***December 1, 2014, or Prior***	**Age and Service Requirements:** ***December 1, 2014, or Prior***
Any age with 10 years of service credit	Any age with 10 years of service credit	Any age with 10 years of service credit
January 1, 2015, through December 31, 2021 Age 60 with 20 years of service credit or any age with 30 years of service credit	***January 1, 2015, through December 31, 2021:*** Age 50 with 31 years of service credit or Age 60 with 20 years of service credit or Any age with 32 years of service credit	***January 1, 2015, through December 31, 2021*** Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

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

Beginning January 1, 2014, qualifying contributing service credit for health care will be accumulated only if the member’s eligible salary is at least $1,000 per month. Partial health care credit will not be granted for months in which eligible salary is less than $1,000. Credit earned prior to January 2014 will not be affected by this requirement.

Recipients of disability benefits prior to January 1, 2014, have continued access to the health care program while the disability benefit continues and will not be subject to the five-year rule described below. The allowance will be determined in the same manner as an age-and-service retiree. If the recipient does not meet minimum age-and-service requirements, the minimum allowance will be used. Recipients with an initial disability effective date on or after January 1, 2014, will have coverage during the first five years of disability benefits. After five years, the recipient must meet minimum age-and-service health care eligibility requirements or be enrolled in Medicare (due to disability status) to remain enrolled in the OPERS health care program. If enrolled, the allowance will be determined in the same way as an age-and-service retiree.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances are determined using a percentage based on years of service and the age when the individual is first eligible for the HRA, multiplied by the base allowance as determined by the Board.

The base allowance was $1,200 per month for non-Medicare retirees and $350 per month for Medicare retirees throughout 2024. The base allowance for Medicare retirees increased to $400 per month in January 2025. Monthly allowances range between 51% and 90% 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. While Medicare eligible retirees must use the Connector to select a vendor to be eligible to receive an HRA, non-Medicare eligible retirees may use the Connector or another vendor and still be eligible to receive an HRA.

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% 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.

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

Participants in the Member-Directed Plan have a portion of the employer contribution credited to an individual retiree medical account. Interest accrues based on the investment performance of the stable value fund, not to exceed 4%. Members with an account prior to July 1, 2015, become vested in the account at a rate of 20% for each year of participation until the member is fully vested at the end of five years. Members establishing accounts on or after July 1, 2015, vest over 15 years at a rate of 10% each year starting with the sixth year of participation.

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 ORC provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan (except for the combined division).

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2025, state and local employers contributed at a rate of 14.0% 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 2025, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2% allocation to health care for the Combined Plan Division which continued through 2025. 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 2025 was 4.0%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2025.

The County's contractually required contribution to OPERS for the Member-Directed Plan was $12,630 for 2025.

Plan Description - State Teachers Retirement System (STRS)

The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing, multiple-employer health care plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes the STRS Board to offer this plan.

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and partial reimbursement of the monthly Medicare Part B premiums. Pursuant to the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS to recover part of the cost for providing prescription coverage since all eligible STRS health care plans include creditable prescription drug coverage.

Funding Policy—Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2025, no employer allocation was made to the health care fund.

OPEB (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024, 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, 2025, 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 respective retirement systems relative to the contributions of all participating entities.

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

	OPERS	STRS	Total
Proportionate Share of Net OPEB (Asset)	$ (1,981,370)	$ (31,565)	$ (2,012,935)
Proportion of Net OPEB (Asset)	0.084529%	0.002605%	
Change in Proportion	-0.001936%	-0.000164%	
(Negative) OPEB Expense	$ (640,818)	$ (3,397)	$ (644,215)

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

At December 31, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ -	$ 1,837	$ 1,837
Net differences between projected and actual investment earnings	40,799	-	40,799
Change in assumptions	-	24,074	24,074
Change in County's proportionate share and difference in employer contributions	20,561	1,536	22,097
County contributions subsequent to the measurement date	12,630	-	12,630
Total deferred outflows of resources	$ 73,990	$ 27,447	$ 101,437
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 96,437	$ 5,575	$ 102,012
Net differences between projected and actual investment earnings	-	3,538	3,538
Change in assumptions	285,894	17,344	303,238
Change in County's proportionate share and difference in employer contributions	-	689	689
Total deferred inflows of resources	$ 382,331	$ 27,146	$ 409,477

$12,630 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ending December 31, 2026.

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

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

	OPERS	STRS	Total
Year Ending December 31:			
2026	$ (190,381)	$ (1,766)	$ (192,147)
2027	192,335	(2,649)	189,686
2028	(238,807)	(2,348)	(241,155)
2029	(84,118)	(1,589)	(85,707)
2030	-	3,356	3,356
Thereafter	-	5,297	5,297
	$ (320,971)	$ 301	$ (320,670)

Actuarial Assumptions—OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	2.75%
Projected salary increases	2.75% to 10.75%, including wage inflation
Single discount rate:	
Current measurement period	6.00%
Prior measurement period	5.70%
Investment rate of return	6.00%
Municipal bond rate:	
Current measurement period	4.08%
Prior measurement period	3.77%
Health care cost trend rate:	
Current measurement period	5.5% initial, 3.50% ultimate in 2039
Prior measurement period	5.5% initial, 3.50% ultimate in 2038
Actuarial cost method	Individual entry age

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previous 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 2024, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio, and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan division and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 10.0% for 2024.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return over a 20-year period are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Health Care portfolio’s target asset allocation as of December 31, 2024, these best estimates are summarized on the following page. A simple weighted sum of asset class returns will not yield the results shown on the table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.37%
Domestic Equities	26.00%	5.70%
REITs	5.00%	5.00%
International Equities	26.00%	6.10%
Risk Parity	3.00%	4.40%
Other Investments	3.00%	2.50%
Total	100.00%	

Discount Rate. A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2024; however, the single discount rate used at the beginning of the year was 5.70%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). The single discount rate was based on the actuarial assumed rate of return of 6.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2124. As a result, the single discount rate was set as the actuarial assumed long-term expected rate of return on health care investments and was applied to projected costs through the year 2124, the duration of the projection period through which projected health care payments are fully funded. The tax-exempt municipal bond rate was not needed in the determination of the single discount rate.

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 6.0%, 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 1.0% point lower (5.0%) or 1.0% point higher (7.0%) than the current rate:

	1% Decrease (5.0%)	Discount Rate of 6.0%	1% Increase (7.0%)
County's proportionate share of the net OPEB (asset)	$ (983,923)	$ (1,981,370)	$ (2,813,985)

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

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

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 2025 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, 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% in the most recent valuation.

	1% Decrease	Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB (asset)	$ (2,011,801)	$ (1,981,370)	$ (1,947,558)

Actuarial Assumptions - STRS

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	Varies by service from 2.5% to 8.5%
Payroll increases	3.0%
Investment rate of return	7.0%, net of investment expenses, including inflation
Discount rate of return	7.0%

Health care cost trends	Initial	Ultimate
Medical		
Pre-Medicare	7.00%	3.94%
Medicare	86.77%	3.94%
Prescription Drug		
Pre-Medicare	8.00%	3.94%
Medicare	26.60%	3.94%

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

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

The actuarial assumptions used in the June 30, 2025 valuation are based on the results of the latest available actual 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:

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%
	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 2.4% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.*

Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2026. The larger Medicare trends for 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

***Discount Rate* –** The discount rate used to measure the total OPEB liability was 7.0% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets of 7.0% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2025.

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS – *continued*

Sensitivity of the County's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate and the Health Care Cost Trend Rates – The following table presents the County's proportionate share of the net OPEB (asset) calculated using the current period discount rate assumption of 7.0%, 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 (6.0%) and one percentage point higher (8.0%) than the current rate. Also shown is the net OPEB (asset) as if it were 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 (6.0%)	Discount Rate of 7.0%	1% Increase (8.0%)
County's proportionate share of the net OPEB (asset)	$ (19,411)	$ (31,565)	$ (42,068)

	1% Decrease	Current Trend Rates	1% Increase
County's proportionate share of the net OPEB (asset)	$ (42,733)	$ (31,565)	$ (18,113)

NOTE 15 – BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and 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 the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

NOTE 15 – BUDGETARY BASIS OF ACCOUNTING – *continued*

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,

(e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

Net Change in Fund Balance

	General	Motor Vehicle and Gas Tax	County Board of DD	County Home	Public Assistance
GAAP Basis	$ (2,474,443)	$ (115,685)	$ 967,069	$ 10,952	$ 23,198
Funds reclassified	(37,176)	-	-	-	-
Revenue accruals	(290,677)	(14,162)	(100,988)	(6,715)	19,623
Expenditure accruals	387,453	310,049	(101,770)	39,715	(850,185)
Other Financing	(141,994)	-	-	-	861,385
Budget Basis	$ (2,556,837)	$ 180,202	$ 764,311	$ 43,952	$ 54,021

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the unclaimed monies fund, trust fund, recorder's equipment fund, auditor's termination benefits fund and the title administration fund.

NOTE 16 – CONTINGENCIES

A. Grants

The County receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the County at December 31, 2025.

B. Litigation

The County is party to legal proceedings. The County's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material adverse effect, if any, on the financial condition of the County at December 31, 2025.

NOTE 16 – CONTINGENCIES – *continued*

C. Asset Retirement Obligations

Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sewage treatment system to the Ohio Environmental Protection Agency (EPA) for approval. Through this permitting process, the County would be responsible to address any public safety issues associated with their sewage treatment facility and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. At this time, the County does not have an approved permit from Ohio EPA to dispose of all or part of their sewage treatment plant. Due to the lack of specific legal requirements for retiring the sewage treatment plant, the County has determined that the amount of the asset retirement obligation cannot be reasonably estimated.

NOTE 17 – LANDFILL POST CLOSURE COSTS

State and federal laws and regulations require that the County perform certain maintenance and monitoring functions at the closed landfill site for thirty years after closure. The landfill was closed in 1993. During 2014, the County reached a legal agreement with the Ohio EPA, which reduced the amount of the landfill closure costs to be paid by the County. The landfill was capped during 2015 and the process moved into post closure as of December 31, 2015. The Village of Carrollton shares in the estimated liability disclosed. The Village and the County have pending negotiations regarding the Village's share of the liability. The estimated liability for the landfill is $1,630,653 for post closure costs at December 31, 2025. The estimated cost of landfill postclosure care expenses is based on the amount that would be paid if all materials and services required to monitor and maintain the closed landfill were acquired as of December 31, 2025. However, the actual cost of post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 18 – FEDERAL TRANSACTIONS

The Carroll County Department of Human Services (Welfare Department) distributes federal food stamps to entitled recipients within the County. The receipt and issuance of these stamps have the characteristics of federal grants. However, the Welfare Department merely acts in an intermediary capacity. Therefore, the inventory value of the stamps is not reflected in the accompanying financial statements as the only economic interest related to the stamps rest with the ultimate recipient.

NOTE 19 – PAYMENT IN LIEU OF TAXES

According to State law, the County entered into a tax increment financing exemption agreement on September 17, 2015, with Chaela Enterprises, LLC (the "property owner") under which the County has granted a property tax exemption to the property owner. The property owner has agreed to construct certain public infrastructure improvements, and in return, the County will return 75% of any increase in taxes collected back to the property owner by September 30th of each year as a service payment in lieu of taxes to help pay the costs of those improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owner would have paid if their taxes had not been exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by the owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. In 2025, the County collected and remitted back to the property owner $30,074.

NOTE 20 – TAX ABATEMENTS

Pursuant to GASB Statement No. 77, *Tax Abatement Disclosures*, the County is required to disclose certain information on its use of tax abatement incentives. A tax abatement incentive, under this Statement is an agreement between the County and an individual or entity in which the County promises to forge tax revenue, while the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the County or the citizens of the County.

The Enterprise Zone Program is an economic development tool administered by the County, pursuant to Ohio Revised Code Sec. 5709, that provides real and personal property exemptions to businesses making investments within an enterprise zone. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program can provide tax exemptions for a portion of the value of new real and personal property investment (when that personal property is still taxable) when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values are generally not eligible.

Carroll County, Washington Township, and Carroll County Energy LLC entered into an Ohio Enterprise Zone Agreement effective December 22, 2014. The agreement was established to encourage the development of real property and the acquisition of personal property within the economic zone. Carroll County Energy LLC is constructing a new electric generating facility (the "Project"), which will create new employment opportunities in the enterprise zone. The Project is estimated to generate construction payroll of $91,200,000 for a period of two to three years during the construction of the Project and create approximately 21 new full-time jobs upon completion. The Agreement provides Carroll County Energy LLC with a 100 percent tax exemption on real estate and public utility personal property improvements for 15 years commencing on tax year 2020 and ending tax year 2034.

NOTE 20 – TAX ABATEMENTS – *continued*

The amount of taxes abated during 2025 was $193,085.

Carroll County, Aurora Gold Limited and Seven Ranges Manufacturing Corporation (the Corporation) entered into an Ohio Enterprise Zone Agreement effective March 21, 2014. The agreement was established to encourage the development of real property and the acquisition of personal property within the economic zone. The Corporation constructed additional building space to create new employment opportunities in the enterprise zone. The Corporation is estimated to generate an increase in payroll of $127,000 and create and maintain 3 new full-time permanent positions and 2 part-time permanent positions. The Agreement provides the Corporation with a tax exemption on real property improvements for 10 years, as follows:

- 100 percent tax exemption for years one and two;
- 50 percent tax exemption for years three through six; and
- 25 percent tax exemption for years seven through ten.

The amount of taxes abated during 2025 for the Corporation was $6,190.

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NOTE 21 – FUND BALANCES

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

Fund Balance	General	Motor Vehicle and Gas Tax	County Board of DD	County Home	Public Assistance	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Materials and supplies inventory	$ 12,278	$ 1,597,858	$ -	$ -	$ 685	$ 10,782	$ 1,621,603
Prepaid items	262,125	4,349	3,318	2,428	2,460	41,156	315,836
Unclaimed monies	76,674	-	-	-	-	-	76,674
Total Nonspendable	351,077	1,602,207	3,318	2,428	3,145	51,938	2,014,113
Restricted:							
Legislative and executive	-	-	-	-	-	2,170,296	2,170,296
Judicial	-	-	-	-	-	856,626	856,626
Public safety	-	-	-	-	-	459,630	459,630
Public works	-	4,967,033	-	-	-	1,650,003	6,617,036
Health	-	-	9,268,758	-	-	-	9,268,758
Human services	-	-	-	1,501,252	484,500	3,162,045	5,147,797
Economic development and assistance	-	-	-	-	-	1,188,991	1,188,991
Other	-	-	-	-	-	6,334	6,334
Total Restricted	-	4,967,033	9,268,758	1,501,252	484,500	9,493,925	25,715,468
Committed:							
Legislative and executive	100,606	-	-	-	-	6,913	107,519
Judicial	-	-	-	-	-	6,736	6,736
Public safety	-	-	-	-	-	632,774	632,774
Capital projects	-	-	-	-	-	920,289	920,289
Total Committed	100,606	-	-	-	-	1,566,712	1,667,318
Assigned:							
Subsequent year appropriations	5,906,151	-	-	-	-	-	5,906,151
Unassigned	2,577,857	-	-	-	-	(303,043)	2,274,814
Total Fund Balances	$ 8,935,691	$ 6,569,240	$ 9,272,076	$ 1,503,680	$ 487,645	$ 10,809,532	$ 37,577,864

REQUIRED SUPPLEMENTARY INFORMATION

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CARROLL COUNTY
Required Supplementary Information
Schedule of County's Proportionate Share of the Net Pension Liability
and County Pension Contributions
Ohio Public Employees Retirement System - Traditional Pension Plan

Measurement Year (1)	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.090848%	14,634,735	10,423,800	140.40%	81.08%
2017	0.085941%	19,515,373	11,048,669	176.63%	77.25%
2018	0.088175%	13,832,914	11,414,440	121.19%	84.66%
2019	0.089491%	24,509,923	11,634,209	210.67%	74.70%
2020	0.092012%	18,186,181	12,431,544	146.29%	82.17%
2021	0.092193%	13,652,012	12,762,691	106.97%	86.88%
2022	0.093109%	8,100,497	12,996,100	62.33%	92.62%
2023	0.090241%	26,657,138	14,375,014	185.44%	75.74%
2024	0.089554%	23,445,198	14,878,000	157.58%	79.01%
2025	0.087427%	21,432,683	15,416,664	139.02%	80.99%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	1,347,831	(1,347,831)	-	11,048,669	12.00%
2017	1,516,109	(1,516,109)	-	11,414,440	13.00%
2018	1,685,073	(1,685,073)	-	11,634,209	14.00%
2019	1,801,331	(1,801,331)	-	12,431,544	14.00%
2020	1,849,735	(1,849,735)	-	12,762,691	14.00%
2021	1,932,644	(1,932,644)	-	12,996,100	14.00%
2022	2,012,502	(2,012,502)	-	14,375,014	14.00%
2023	2,082,920	(2,082,920)	-	14,878,000	14.00%
2024	2,158,333	(2,158,333)	-	15,416,664	14.00%
2025	2,240,817	(2,240,817)	-	16,005,836	14.00%

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

See Notes to Required Supplementary Information.

CARROLL COUNTY
Required Supplementary Information
Schedule of County's Proportionate Share of the Net Pension Liability
and County Pension Contributions
State Teachers Retirement System of Ohio

Measurement Year (1)	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.002980%	997,338	333,586	298.98%	66.8%
2017	0.003065%	728,152	330,300	220.45%	75.3%
2018	0.003020%	664,068	357,043	185.99%	77.3%
2019	0.002665%	589,426	319,600	184.43%	77.4%
2020	0.002483%	600,917	325,786	184.45%	75.5%
2021	0.002413%	308,502	304,757	101.23%	87.8%
2022	0.002649%	588,796	355,500	165.62%	78.9%
2023	0.002692%	579,667	360,279	160.89%	80.0%
2024	0.002768%	532,701	400,693	132.94%	82.5%
2025	0.002605%	473,675	319,057	148.46%	84.1%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	46,242	(46,242)	-	330,300	14.00%
2017	49,986	(49,986)	-	357,043	14.00%
2018	44,744	(44,744)	-	319,600	14.00%
2019	45,610	(45,610)	-	325,786	14.00%
2020	42,666	(42,666)	-	304,757	14.00%
2021	49,770	(49,770)	-	355,500	14.00%
2022	50,439	(50,439)	-	360,279	14.00%
2023	56,097	(56,097)	-	400,693	14.00%
2024	44,668	(44,668)	-	319,057	14.00%
2025	56,929	(56,929)	-	406,636	14.00%

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

See Notes to Required Supplementary Information.

CARROLL COUNTY
Required Supplementary Information
Schedule of County's Proportionate Share of the Net OPEB Liability/(Asset)
and County OPEB Contributions
Ohio Public Employees Retirement System

Measurement Year (1) (2)	County's Proportion of the Net OPEB Liability/(Asset)	County's Proportionate Share of the Net OPEB Liability/(Asset)	County's Covered Payroll	County's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.083554%	$ 8,439,275	$ 11,048,669	76.38%	54.05%
2018	0.084991%	9,229,157	11,414,440	80.86%	54.14%
2019	0.085790%	11,185,240	11,634,209	96.14%	46.33%
2020	0.087980%	12,152,669	12,431,544	97.76%	47.80%
2021	0.088525%	(1,576,631)	12,762,691	(12.35%)	115.57%
2022	0.088957%	(2,786,132)	12,996,100	(21.44%)	128.23%
2023	0.086625%	546,606	14,375,014	3.80%	94.79%
2024	0.086465%	(780,782)	14,878,000	(5.25%)	107.76%
2025	0.084529%	(1,981,370)	15,416,664	(12.85%)	121.51%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	224,639	(224,639)	-	11,048,669	2.03%
2017	113,584	(113,584)	-	11,414,440	1.00%
2018	4,775	(4,775)	-	11,634,209	0.04%
2019	4,989	(4,989)	-	12,431,544	0.04%
2020	4,037	(4,037)	-	12,762,691	0.03%
2021	4,319	(4,319)	-	12,996,100	0.03%
2022	8,264	(8,264)	-	14,375,014	0.06%
2023	12,164	(12,164)	-	14,878,000	0.08%
2024	13,136	(13,136)	-	15,416,664	0.09%
2025	12,630	(12,630)	-	16,005,836	0.08%

(1) Information prior to 2017 is not available. The County will continue to present information for years available until a full ten-year trend is compiled.

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

See Notes to Required Supplementary Information.

CARROLL COUNTY
Required Supplementary Information
Schedule of County's Proportionate Share of the Net OPEB Liability/(Asset)
and County OPEB Contributions
State Teachers Retirement System of Ohio

Measurement Year (1) (2)	County's Proportion of the Net OPEB Liability/ (Asset)	County's Proportionate Share of the Net OPEB Liability/ (Asset)	County's Covered Payroll	County's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.003065%	$ 119,594	$ 330,300	36.21%	47.1%
2018	0.003020%	(48,531)	357,043	(13.59%)	176.0%
2019	0.002665%	(44,144)	319,600	(13.81%)	174.7%
2020	0.002483%	(43,648)	325,786	(13.40%)	182.1%
2021	0.002413%	(50,872)	304,757	(16.69%)	174.7%
2022	0.002649%	(68,582)	355,500	(19.29%)	230.7%
2023	0.002692%	(52,350)	360,279	(14.53%)	168.5%
2024	0.002768%	(52,512)	400,693	(13.11%)	158.0%
2025	0.002605%	(31,565)	319,057	(9.89%)	128.3%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions (3)	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ -	$ -	$ -	$ 330,300	0.00%
2017	-	-	-	357,043	0.00%
2018	-	-	-	319,600	0.00%
2019	-	-	-	325,786	0.00%
2020	-	-	-	304,757	0.00%
2021	-	-	-	355,500	0.00%
2022	-	-	-	360,279	0.00%
2023	-	-	-	400,693	0.00%
2024	-	-	-	319,057	0.00%
2025	-	-	-	406,636	0.00%

(1) Information prior to 2017 is not available. The County will continue to present information for years available until a full ten-year trend is compiled.

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

(3) STRS allocated the entire 14% employer contribution rate towards pension benefits.

Notes to Pension Information

Changes of Benefit Terms

There have been no changes in benefit terms.

Changes of Assumptions

In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.

In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in wage inflation from 3.25% to 2.75%, and transition from RP-2014 mortality tables to Pub-2010 mortality tables.

Effective January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan as a separate division. No changes were made to the benefit design features of the Combined Plan as part of this consolidation. Members in this plan will continue to receive benefits under the Combined Plan provisions in effect prior to the consolidation, subject to future changes to the Traditional Pension Plan.

Notes to OPEB Information

Changes of Benefit Terms

There have been no changes in benefit terms.

Changes of Assumptions

In 2018, the single discount rate changed from 4.23% to 3.85%.

In 2019, the single discount rate changed from 3.85% to 3.96%, the investment rate of return changed from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial to 10.0% initial.

In 2020, the single discount rate changed from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2028 to 10.5% initial, 3.50% ultimate in 2030.

In 2021, the single discount rate changed from 3.16% to 6.00% and the health care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction in wage inflation from 3.25% to 2.75%, and transition from RP-2014 mortality tables to Pub-2010 mortality tables.

In 2023, the single discount rate changed from 6.00% to 5.22% and the health care cost trend rate changed from 5.5% initial, 3.50% ultimate in 2034 to 5.5% initial, 3.50% ultimate in 2036.

In 2024, the single discount rate changed from 5.22% to 5.70% and the health care cost trend rate changed from 5.5% initial, 3.50% ultimate in 2036 to 5.5% initial, 3.50% ultimate in 2038.

In 2025, the single discount rate changed from 5.70% to 6.00% and the health care cost trend rate changed from 5.5% initial, 3.50% ultimate in 2038 to 5.5% initial, 3.50% ultimate in 2039.

Notes to Pension Information

Changes of Benefit Terms

For measurement period 2017, the COLA was reduced to zero.

Changes of Assumptions

For the measurement period 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The health and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement period 2021, the discount rate was adjusted to 7.00% from 7.45%.

For measurement period 2022, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

For measurement period 2024, retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Effective July 1, 2025, a 1.5% one-time ad-hoc Cost-of-Living Adjustment (COLA) of the base benefit was granted to eligible benefit recipients. The COLA will be added to the base benefit on the retirement anniversary date and each month thereafter.

A one-time supplemental benefit payment for eligible benefit recipients who started receiving benefits in or prior to January 2024. The supplemental benefit of $302 million was paid in December 2024.

Effective June 1, 2025, through May 1, 2030, any member can retire with unreduced benefits with 32 years of service credit at any age or five years of service credit and age 65. Retirement eligibility for reduced benefits is 27 years of service credit at any age; or five years of service credit and age 60.

Effective June 1, 2030, through May 1, 2032, 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. 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 June 1, 2032, 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. Retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

Notes to OPEB Information

Changes of Benefit Terms

For the measurement period 2017, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

For the measurement period 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% 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 the measurement period 2019, there was no change to the claims cost process. Claims 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% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

Changes of Benefit Terms (continued)

For measurement year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement year 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age-based to service-based.

For measurement year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

For measurement year 2024, 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.

Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2026. 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.

Changes of Assumptions

For measurement year 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. 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 trends were modified along with the portion of rebated prescription drug costs.

For measurement year 2018, the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74. Valuation year per capita health care costs were updated.

For measurement year 2021, the discount rate was adjusted to 7.00% from 7.45%.

For measurement year 2022, healthcare trends were updated to reflect emerging claims and recoveries experience.

CARROLL COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	ALN	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
PASSED THROUGH OHIO DEPARTMENT OF JOB AND FAMILY SERVICES			
State Administrative Matching Grants for the SNAP Cluster - 2025	10.561	G-2425-11-6116	$ 92,118
State Administrative Matching Grants for the SNAP Cluster - 2026	10.561	G-2627-11-6116	29,271
Total U.S. Department of Agriculture			**121,389**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT OFFICE OF HOUSING AND COMMUNITY PARTNERSHIP			
CDBG-PY23	14.228	B-F-23-1AJ1	129,113
CHIP (CDBG) PY23	14.228	B-C-23-1AJ-1	100,869
CDBG-PY24	14.228	B-X-24-1AJ-1	71,500
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			301,482
HOME Investment Partnership Program	14.239	B-C-23-1AJ-2	143,508
Total U.S. Department of Housing and Urban Development			**444,990**
APPALACHIAN REGIONAL COMMISSION PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT			
Appalachian Regional Development - ARC Power Initiative	23.001	PW-20848-IM-A-24	2,803
Total Appalachian Regional Commission			**2,803**
U.S. DEPARTMENT OF JUSTICE PASSED THROUGH THE OFFICE OF CRIMINAL JUSTICE			
FY 25 Crime Victim Assistance	16.575	2025-VOCA-135901398	34,442
FY 26 Crime Victim Assistance	16.575	2026-VOCA-136358147	15,879
Total Crime Victim Assistance			50,321
Total U.S. Department of Justice			**50,321**
U.S. DEPARTMENT OF LABOR PASSED THROUGH THE OHIO DEPARTMENT OF JOB AND FAMILY SERVICES VIA AREA 16 WORKFORCE INVESTMENT BOARD			
WIOA Cluster:			
WIOA Adult - PY23	17.258	G-2425-15-0187	1,031
WIOA Adult - FY24	17.258	G-2425-15-0187	31,981
WIOA Adult - PY24	17.258	G-2627-15-0014	12,975
WIOA Adult - FY25	17.258	G-2627-15-0014	23,804
WIOA Youth Activities - PY23	17.259	G-2425-15-0187	51,319
WIOA Youth Activities - PY24	17.259	G-2627-15-0014	27,579
WIOA Dislocated Worker Formula Grants - PY23	17.278	G-2425-15-0187	1,962
WIOA Dislocated Worker Formula Grants - PY24	17.278	G-2425-15-0187	7,793
WIOA Dislocated Worker Formula Grants - FY25	17.278	G-2627-15-0014	1,665
Total WIOA Cluster			160,109
Total U.S. Department of Labor			**160,109**
U.S. DEPARTMENT OF TRANSPORTATION			
PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION			
Formula Grants for Other Than Urbanized Areas	20.509	RPTF-4094-021-261	186,175
Formula Grants for Other Than Urbanized Areas	20.509	RPTF-4094-025-251	158,836
Formula Grants for Other Than Urbanized Areas	20.509	RPTM-0094-021-261	42,920
Formula Grants for Other Than Urbanized Areas	20.509	RPTM-0094-033-251	30,841
Total Formula Grants for Other Than Urbanized Areas			418,772
Bus and Bus Facilities Formula Program	20.526	BABF-0094-033-261	58,960
Bus and Bus Facilities Formula Program	20.526	BABF-0094-033-262	58,960
Bus and Bus Facilities Formula Program	20.526	BABF-0094-033-251	56,285
Bus and Bus Facilities Formula Program	20.526	BABF-0094-033-252	56,285
Total Federal Transit Cluster			230,490
Highway Planning and Construction	20.205	PID #117375	1,391,590
Total Highway Planning and Construction			1,391,590
Total U.S. Department of Transportation			**2,040,852**

The accompanying notes are an integral part of this schedule.

CARROLL COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	ALN	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION			
PASSED THROUGH OHIO DEPARTMENT OF EDUCATION			
Special Education Cluster:			
Special Education- Grants to States	84.027	n/a	29,514
Special Education - Grants for Infants and Families	84.181A	n/a	20,817
Special Education - Preschool Grants	84.173	n/a	8,690
Total Special Education Grant Cluster			59,021
Total U.S. Department of Education			**59,021**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
PASSED THROUGH VARIOUS SOURCES (SEE TICKMARKS)			
{a} Promoting Safe and Stable Families- 2025	93.556	G-2425-11-6116	36,175
{a} Promoting Safe and Stable Families- 2026	93.556	G-2627-11-6116	6,324
Total Promoting Safe and Stable Families			42,499
{a} Title IV-E Prev Program	93.472	G-2324-11-6116	736
{a} Temporary Assistance for Needy Families - 2025	93.558	G-2425-11-6116	1,001,532
{a} Temporary Assistance for Needy Families - 2026	93.558	G-2627-11-6116	25,712
Total Temporary Assistance for Needy Families			1,027,244
{a} Child Support Enforcement - 2025	93.563	G-2425-11-6117	77,291
{a} Child Support Enforcement - 2026	93.563	G-2627-11-6117	19,604
Total Child Support Enforcement			96,895
{a} Child Care and Development Block Grant (CCDF Cluster)- 2025	93.575	G-2425-11-6116	6,991
{a} Child Care and Development Block Grant (CCDF Cluster)- 2026	93.575	G-2627-11-6116	17,857
Total Child Care and Development Block Grant (CCDF Cluster)			24,848
{a} Child Welfare Services - State Grants - 2025	93.645	G-2425-11-6116	30,670
{a} Child Welfare Services - State Grants - 2026	93.645	G-2627-11-6116	12,000
Total Child Welfare Services - State Grants			42,670
{a} Foster Care Title IV-E- 2025	93.658	G-2425-11-6116	42,770
{a} Foster Care Title IV-E- 2026	93.658	G-2627-11-6116	17,105
Total Foster Care Title IV-E			59,875
{a} Adoption Assistance - 2025	93.659	G-2425-11-6116	49,440
{a} Adoption Assistance - 2026	93.659	G-2627-11-6116	10,263
Total Adoption Assistance			59,703
{a} Social Services Block Grant - 2025	93.667	G-2425-11-6116	21,518
{a} Social Services Block Grant - 2026	93.667	G-2627-11-6116	5,000
{b} Social Services Block Grant	93.667	n/a	19,432
Total Social Services Block Grant			45,950
{a} Chafee Foster Care Independence Program	93.674	G-2425-11-6116	10,741
{a} Chafee Foster Care Independence Program	93.674	G-2627-11-6116	2,714
Total Chafee Foster Care Independence Program			13,455
Medicaid Cluster:			
{a} Medical Assistance Program	93.778	G-2425-11-6116	463,504
{a} Medical Assistance Program	93.778	G-2627-11-6116	136,449
Total Medicaid Cluster			599,953
Total U.S. Department of Health and Human Services			**2,013,828**
U.S. DEPARTMENT OF HOMELAND SECURITY			
Emergency Management Preparedness Grants	97.042	EMC-2023-EP-00003	5,521
Emergency Management Preparedness Grants	97.042	EMC-2024-EP-05000	43,079
			48,600
Homeland Security Grant Program	97.067	EMW-2023-SS-0024	1,990
Total U.S. Department of Homeland Security			**50,590**
Total Federal Expenditures			**4,943,903**

Tickmarks:

{a} Passed Through Ohio Department of Job and Family Services

{b} Passed Through Ohio Department of Developmental Disabilities

The accompanying notes are an integral part of this schedule.

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Carroll County, Ohio (the "County") under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented 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 assets, 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – MATCHING REQUIREMENTS

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

NOTE D – REVOLVING LOAN FUND

The County has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the County. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of County Commissioners
Carroll County, Ohio:

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 Carroll County, Ohio (the "County"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 24, 2026.

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 entity'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 24, 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of County Commissioners
Carroll County, Ohio:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Carroll County, Ohio's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2025. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of 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, 2025.

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 Auditors' 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 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 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

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.

Auditors' 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 a 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 controls 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 Auditors' 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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 24, 2026

Carroll County, Ohio
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

Section I - Summary of Auditors' Results

<u>Financial Statements</u>

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

<u>Federal Awards</u>

Internal Control over major program:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major program:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major program:	
ALN 20.205 – Highway Planning and Construction	
Dollar threshold to distinguish between Type A and Type B Programs:	$1,000,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

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OHIO AUDITOR OF STATE
KEITH FABER

CARROLL 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 7/23/2026

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