

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 28, 2025

NEW ISSUES – BOOK ENTRY ONLY

Bonds Rating: Moody's: Aa1
Notes Rating: Moody's: MIG-1

In the opinion of McDonald Hopkins LLC, Bond Counsel, under existing law (i) assuming compliance with certain covenants and the accuracy of certain representations, interest on the Obligations (defined herein) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals, and (ii) interest on and any profit made on the sale, exchange or other disposition of the Obligations is exempt from certain taxes levied by the State of Ohio and its political subdivisions. Interest on the Obligations may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the Obligations. For a more complete discussion of the tax aspects, see "TAX MATTERS."



COUNTY OF LAKE, OHIO

\$600,000*

GENERAL OBLIGATION (Limited Tax)

SANITARY SEWER IMPROVEMENT BONDS, SERIES 2025

and

\$32,000,000*

GENERAL OBLIGATION (Limited Tax)

VARIOUS PURPOSE IMPROVEMENT NOTES, SERIES 2025

Dated: Closing Date

Due: As shown below

The Sanitary Sewer Improvement Bonds, Series 2025 (the Bonds) and the Various Purpose Improvement Notes, Series 2025 (the Notes, and with the Bonds, collectively referred to herein as the Obligations) are general obligations of the County, issued to finance certain permanent improvements, all as further described under **Authorization and Purpose**. Principal and interest on the Obligations, unless paid from other sources, are to be paid from the proceeds of the County's levy of ad valorem property taxes, which taxes are within the ten-mill limitation imposed by Ohio law.

The Obligations will be initially issued only in fully registered form, one for each maturity, issuable under a book entry system, registered initially in the name of The Depository Trust Company or its nominee (DTC). There will be no distribution of Bonds or Notes to the ultimate purchasers. The Obligations in certificated form as such will not be transferable or exchangeable, except for transfer to another nominee of DTC or as otherwise described in this Official Statement. See **Book Entry System**. Principal of and interest on the Obligations will be payable to the registered owner (DTC). Principal on the Bonds will be payable upon presentation and surrender at the designated office of U.S. Bank Trust Company, National Association, Columbus, Ohio (the Bond Registrar), and interest on the Bonds will be transmitted by the Bond Registrar on each interest payment date (June 1 and December 1 of each year), commencing June 1, 2026 to the registered owner (DTC or its nominee) as of the close of business on the 15th day of the calendar month preceding that interest payment date. Principal and interest on the Notes will be payable upon presentation and surrender at the designated office of the Bond Registrar in its capacity as Note Registrar.

The Bonds shall be subject to redemption prior to maturity as set forth herein. See **Summary of Certain Terms of the Bonds – Prior Redemption**. The Notes shall not be subject to redemption prior to maturity.

The Obligations are offered when, as and if issued, and accepted by the Underwriter, subject to the opinions on certain legal matters relating to their issuance by McDonald Hopkins LLC. Certain matters will be passed upon for the Underwriter by Roetzel & Andress, LPA, Underwriter's Counsel. The Obligations are expected to be available for delivery in definitive form at DTC on or about September __, 2025.

The date of this Official Statement is September __, 2025, and the information speaks only as of that date.

STIFEL

* Preliminary, subject to change.

36521019.2

\$600,000*

GENERAL OBLIGATION (Limited Tax)

SANITARY SEWER IMPROVEMENT BONDS, SERIES 2025

PRINCIPAL MATURITY SCHEDULE

\$32,000,000*

GENERAL OBLIGATION (Limited Tax)

LAKE COUNTY, OHIO

COUNTY OFFICIALS

Commissioners	Morris W. Beverage III Richard J. Regovich John T. Plecnik
County Administrator	Jason W. Boyd
Director of Administrative Services	Joel DiMare
Budget/Finance Manager	Zachary D. Underwood

PROFESSIONAL SERVICE PROVIDERS

Bond Counsel and Disclosure Counsel:	McDonald Hopkins LLC
Bond Registrar:	U.S. Bank Trust Company, National Association
Underwriter:	Stifel, Nicolaus & Company, Incorporated
Underwriter's Counsel:	Roetzel & Andress, LPA

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Obligations identified on the cover. No person, other than the County Administrator of the County has been authorized by the County to give any information or to make any representation other than as contained in this Official Statement. Any other information or representation should not be relied upon as having been given or authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Obligations by any person, in any jurisdiction in which it is unlawful to make that offer, solicitation or sale.

The information in this Official Statement is provided by the County in connection with the original offering of the Obligations. Reliance should not be placed on any other information publicly provided, in any format including electronic, by the County for other purposes, including general information provided to the public or to portions of the public. The information in this Official Statement is subject to change without notice. Information located at websites referred to herein has been prepared by the respective entities responsible for maintaining such websites. The County takes no responsibility for the continued accuracy of any internet address or the accuracy, completeness, or timeliness of any information posted at any such address. Neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the County since its date.

This Official Statement contains statements that the County believes may be “forward-looking statements.” Words such as “plan,” “estimate,” “project,” “budget,” “anticipate,” “expect,” “intend,” “believe” and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involves known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the County’s control and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The County undertakes no obligation, and does not plan, to issue any updates or revisions to such forward-looking statements.

UPON ISSUANCE, THE OBLIGATIONS WILL NOT BE REGISTERED BY THE COUNTY UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE AT THE REQUEST OF THE COUNTY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR DISAPPROVED THE OBLIGATIONS FOR SALE.

The Ohio Municipal Advisory Council (“OMAC”) has requested that this paragraph be included in this Official Statement. Certain information contained in the Official Statement is attributed to OMAC. OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy.

OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

In connection with this offering, the Underwriter may overallocate or effect transactions that stabilize or maintain the market prices of the Obligations at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Obligations to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the Cover, which public offering prices may be changed from time to time by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

[Balance of Page Intentionally Left Blank]

TABLE OF CONTENTS

INTRODUCTORY STATEMENT	1
AUTHORIZATION AND PURPOSE	1
Sources and Uses.....	2
SUMMARY OF CERTAIN TERMS OF THE OBLIGATIONS	2
General	2
Prior Redemption	3
SECURITY AND SOURCES OF PAYMENT	5
Refunding	5
THE COUNTY	6
General Introduction	6
County Government	7
County Facilities.....	12
County Services and Responsibilities	12
Public Assistance and Health	12
Recreation.....	14
Education.....	15
Transportation	15
Administration of Justice	15
County Utilities	15
Solid Waste Management.....	16
Economic and Demographic Information	17
Income	18
ECONOMIC OVERVIEW	18
Business Retention, Expansion, and Attraction	18
Tourism and Retail Sector Impact.....	19
Leveraging Lake Erie	19
Retail Sector	20
Permits.....	20
FINANCIAL MATTERS	21
Introduction	21
Budgeting, Tax Levy and Appropriations Procedures	22
Financial Reports and Audits	22
AD VALOREM PROPERTY TAXES.....	24

Tax Rates.....	26
TAX TABLE A.....	27
TAX TABLE B County Tax Rates -- Voted	28
Collections.....	29
Delinquencies	30
OTHER MAJOR GENERAL FUND REVENUE SOURCES	30
Permissive Taxes.....	30
County Sales and Use Tax	31
Real Property Transfer Tax	31
Local Government Assistance Funds.....	32
COUNTY DEBT AND OTHER LONG-TERM OBLIGATIONS	33
Security for General Obligation Debt	33
Bonds and BANs.....	33
Statutory Direct Debt Limitations	34
Indirect Debt and Unvoted Property Tax Limitations.....	36
Debt Outstanding.....	37
Bond Anticipation Notes.....	37
Bond Retirement Fund	38
Future Financings	38
Long-Term Financial-Obligations Other Than Bonds and Notes	38
Pension Obligations.....	39
INVESTMENT CONSIDERATIONS	39
Considerations Regarding Real Property Tax Reform.....	39
No Assurance of Secondary Market for the Bonds.....	40
LITIGATION.....	40
LEGAL MATTERS.....	41
TAX MATTERS.....	41
Original Issue Discount/Original Issue Premium on the Bonds	42
ELIGIBILITY FOR INVESTMENT AND AS PUBLIC MONEYS SECURITY	44
TRANSCRIPT AND CLOSING DOCUMENTS	44
CONTINUING DISCLOSURE AGREEMENT	44
UNDERWRITING	45
RATING	46
REGISTRAR	46

CONCLUDING STATEMENT	47
APPENDIX A - DEBT TABLE I.....	48
Principal Amounts of Outstanding Debt; Leeway for Additional Debt Within Direct Debt Limitations	48
APPENDIX A - DEBT TABLE II.....	49
Various County and Overlapping GO Debt Allocations (Principal Amounts).....	49
APPENDIX A - DEBT TABLE III	50
Outstanding GO Bond Anticipation Notes.....	50
APPENDIX A - DEBT TABLE IV	51
Projected Debt Service Requirements on County GO Debt	51
APPENDIX B	1
Comparative Cash Basis Summary (Unaudited) of General Fund Receipts and Expenditures 2020 through 2024 and Budgeted 2025	1
APPENDIX C	1
AUDITED FINANCIAL STATEMENTS – FISCAL YEAR 2023	1
APPENDIX D	1
PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT.....	1
APPENDIX E	1
BOOK-ENTRY SYSTEM; DTC.....	1
EXHIBIT A.....	1
PROPOSED TEXT OF LEGAL OPINIONS OF BOND COUNSEL	1

INTRODUCTORY STATEMENT

This Official Statement has been prepared by the County of Lake, Ohio (the County), in connection with its original issuance and sale of the County's \$600,000* Sanitary Sewer Improvement Bonds, Series 2025 (the Bonds) and the County's \$32,000,000* Various Purpose Improvement Notes, Series 2025 (the Notes, and with the Bonds, collectively referred to herein as the Obligations). Certain information concerning the authorization, purpose, terms, redemption provisions and sources of payment of and security for the Obligations is provided in this Official Statement. The Obligations are being sold to Stifel Nicolaus & Company, Incorporated (the Underwriter). See **Underwriting**.

All financial and other information in this Official Statement has been provided by the County from its records, except for information expressly attributed to other sources and except for certain information on the cover and under **Underwriting**. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

This Official Statement should be considered in its entirety and no one subject considered less important than another by reason of location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents.

References to provisions of Ohio law or of the Ohio Constitution are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement "debt service" means principal of and interest on the obligations referred to, "County" means Lake County, and "State" or "Ohio" means the State of Ohio. "Fiscal Year" means the 12-month period ending December 31, and reference to a particular Fiscal Year (such as "Fiscal Year 2025") means the Fiscal Year ending on December 31 in that year.

AUTHORIZATION AND PURPOSE

The Obligations are to be issued pursuant to Chapter 133 of the Ohio Revised Code (the Revised Code), three resolutions adopted by the Board of Commissioners of the County and two certificates of award authorized in those ordinances (collectively, the Authorizing Legislation).

The Notes are being issued to refund outstanding notes issued by the County to pay costs of: (i) constructing, furnishing, equipping and otherwise improving the County's Correctional Facility, including all necessary related improvements and appurtenances thereto (the Correctional Facilities Project); and (ii) constructing, reconstructing, paving and otherwise improving road improvements in the County, including related improvements and all necessary appurtenances thereto (the Road Project).

The Bonds are being issued to refund outstanding notes issued by the County to pay, in anticipation of the collection of special assessments heretofore levied, costs of constructing and

* Preliminary, subject to change.

installing sanitary sewer lines, together with related improvements and all necessary appurtenances thereto, comprising the Kirtland Old Town Sanitary Sewer Project 445-S (the Sewer Project, and together with the Correctional Facilities Project and the Road Project, collectively referred to herein as the Project).

Proceeds of the Obligations will also be used to pay costs of the issuance of the Obligations.

Sources and Uses

The estimated sources and uses of funds in connection with the issuance of the Obligations are as follows:

<u>Sources of Funds</u>	<u>Amount</u>
Principal Amount of the Bonds	
Original Issue Premium	
Principal Amount of the Notes	
Original Issue Premium	
Total Sources	

Application of Funds

Deposit to Project Fund
Deposit to the Bond Retirement Fund
Costs of Issuance(a)
Total Uses

(a) Includes costs of the issuance of the Bonds and Notes, including the Underwriter's discount. See also **Underwriting**.

Any original issue premium actually received by the County on the sale of the Obligations in excess of that necessary to pay costs of issuing the Obligations and any interest accrued on the Obligations will be deposited in the County's Bond Retirement Fund. Money in the Bond Retirement Fund is used to pay debt charges on County debt obligations.

SUMMARY OF CERTAIN TERMS OF THE OBLIGATIONS

General

The Obligations will be delivered in book-entry-only form and, when issued, registered in the name of The Depository Trust Company (DTC), New York, New York, or its nominee Cede & Co., which will act as securities depository for the Obligations. For discussion of the book-entry system and DTC and the replacement of Obligations in the event that the book-entry system is discontinued, see **Appendix E– Book Entry System**.

The Bonds will be dated as of their date of original issuance, will mature in the amounts and on the dates, will bear interest (computed on the basis of a 360-day year and twelve 30 day months) payable on June 1 and December 1 of each year, commencing June 1, 2026, at the rates, and will be payable at the place and in the manner described on the cover page of this Official Statement and under **Appendix E -Book Entry System**. The Bonds are issuable in denominations of \$1,000 or any integral multiple thereof.

The Notes will be dated as of their date of original issuance, will mature on September ___, 2026 and will bear interest payable at stated maturity at the rate, and will be payable at the place and in the manner described on the cover page of this Official Statement and under **Appendix E - Book Entry System**. The Notes shall be issued and represented by a single note certificate.

U.S. Bank Trust Company, National Association, Columbus, Ohio, has been designated to act as bond registrar and as transfer, authenticating and paying agent for the Bonds (the Bond Registrar) and as note registrar and as transfer, authenticating and paying agent for the Notes (the Note Registrar, and collectively referred to herein as the Registrar).

Discussion of the Obligations being issued only under the book entry method is provided in **Appendix E - Book Entry System**. Details regarding the procedures for and manner of payment, issuance, exchange and transfer of the Obligations if ever issued in certificated form as provided in the Bond and Note proceedings are stated below.

Prior Redemption

The Notes are not subject to redemption prior to stated maturity.

The Bonds are subject to mandatory and optional redemption as follows.

Mandatory Redemption

The Bonds maturing on December 1, ___ (the ___ Term Bonds) are subject to mandatory sinking fund redemption in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation, on December 1, ___ in the principal amount of \$ ___, with the remaining principal balance of \$ ___ to be paid at stated maturity on December 1, ___.

Term Bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement.

Optional Redemption

The Bonds maturing on and after December 1, ___ are subject to prior redemption on and after December 1, ___, by and at the sole option of the County, either in whole or in part (as selected by the County) and in integral multiples of \$1,000, at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date.

Selection of Bonds and Book Entry Interests to be Redeemed

If fewer than all outstanding Bonds are called for optional redemption at one time, the Bonds to be called will be called as selected by, and selected in a manner as determined by, the County.

If less than all of an outstanding Bond of one maturity and interest rate within a maturity, if applicable, under a book-entry system is to be called for redemption (in the amount of \$1,000 or any whole multiple thereof), the Bond Registrar will give notice of redemption only to DTC as registered owner. The selection of the book-entry interests in that Bond to be redeemed is discussed below under **Summary of Certain Terms of the Obligations –Notice of Call for Redemption; Effect**.

If bond certificates are issued to the ultimate owners, and if fewer than all of the Bonds of a single maturity and interest rate within a maturity, if applicable, are to be redeemed, the selection of Bonds (or portions of Bonds in the amount of \$1,000 or any whole multiple) to be redeemed will be made by lot in a manner determined by the Bond Registrar.

Notice of Call for Redemption; Effect

The Bond Registrar is to cause notice of the call for redemption, identifying the Bonds or portions of Bonds to be redeemed, to be sent by first-class mail (or otherwise as may be permitted or required if the Bonds are held under a book-entry system by a securities depository), at least 30 days prior to the redemption date, to the registered owner (initially, DTC) of each Bond to be redeemed at the address shown on the Register as of the close of business on the 15th day preceding that mailing. Any defect in the notice or any failure to receive notice by mailing will not affect the validity of any proceedings for the redemption of any Bonds.

On the date designated for redemption, Bonds or portions of Bonds called for redemption shall become due and payable. If the Bond Registrar then holds sufficient money for payment of debt charges payable on that redemption date, interest on each Bond (or portion of a Bond) so called for redemption will cease to accrue on that date.

So long as all Bonds are held under a book-entry system by a securities depository (such as DTC), a call notice is to be sent by the Bond Registrar only to the depository or its nominee. Selection of book-entry interests in the Bonds called, and giving notice of the call to the owners of those interests called, is the sole responsibility of the depository and of its Direct Participants and Indirect Participants. Any failure of the depository to advise any Direct Participant, or of any Direct Participant or any Indirect Participant to notify the Beneficial Owners, of any such notice and in its content or effect will not affect the validity of any proceedings for the redemption of any Bonds or portions of Bonds. See **Appendix E - Book Entry System**.

SECURITY AND SOURCES OF PAYMENT

The Obligations will be unvoted general obligation debt of the County payable from the sources described below, subject to bankruptcy laws and other laws affecting creditors' rights and to the exercise of judicial discretion.

The basic security for payment of the Obligations is the requirement of the levy by the County of ad valorem property taxes within the ten-mill limitation imposed by Ohio law. Under Ohio law the levy for debt service on unvoted general obligations of the County is to be placed before and in preference to all other levies and for the full amount of that debt service. See the further discussions under **Ad Valorem Property Taxes** and **County Debt and Other Long Term Obligations**. The Bonds are being issued in anticipation of the levy and collection of special assessments, and it is anticipated that debt service on the Bonds will be paid from the special assessments collected. The debt service on the portion of the Notes being issued to finance the Road Project is anticipated to be paid from the collection of motor vehicle license taxes.

Ohio law requires the County to levy and collect an ad valorem property tax to pay debt service on the Obligations as it becomes due, unless and to the extent that debt service is paid from other sources, such as described below.

The Authorizing Legislation provides further security by making a pledge of the full faith and credit of the County for the payment of debt service on the Obligations as it becomes due. Included in that pledge are all funds of the County, except those specifically limited to another use or prohibited from that use by the Ohio Constitution, or Ohio or federal law. Those exceptions include highway use receipts (limited by the Constitution to highway related purposes), tax levies voted for specific purposes, special assessments pledged to particular bonds and notes and certain utility revenues. A similar pledge is made in each resolution authorizing voted or unvoted general obligation debt.

In addition to the right of individual bondholders to sue upon their particular Obligations, Ohio law authorizes the holders of not less than 10% in principal amount of the outstanding Obligations to bring mandamus or other actions to enforce all contractual or other rights of the bondholders, including the right to require the County to levy, collect and apply the unvoted property taxes to pay debt service, and in the case of any default in payment of debt charges to bring action to require the County to account as if it were the trustee of an express trust for the holders or to enjoin any acts that may be unlawful or in violation of bondholder rights.

Refunding

State law authorizes the refunding and advance refunding of the Bonds. If the County places in escrow money, or direct obligations of or guaranteed as to payment by the United States (Government Obligations), or both, sufficient with investment income therefrom for the payment of debt service and any redemption premium on the Bonds, those Bonds will no longer be considered to be outstanding and will not be considered in determining any direct or indirect limitation on County indebtedness, and the levy of taxes to pay debt service on them will not be required. For this purpose Government Obligations includes rights to receive payments or portions of payments of the principal of or investment income on such Government Obligations, and also includes other obligations fully secured as to payment by and investment income on Government Obligations.

THE COUNTY

General Introduction

The County, established in 1840, is located in northeastern Ohio along the shore of Lake Erie, abutting Cuyahoga, Geauga, and Ashtabula Counties. It is approximately 30 miles east of Cleveland. The County's area is 229 square miles. In addition to the County seat in the County of Painesville, there are nine cities, nine villages and five townships located in the County. The County's population as of the 2020 census was 232,603. In the 2020 Census classifications, the County was in the Cleveland, Ohio Metropolitan Statistical Area (MSA). The County is also in the Cleveland-Akron-Canton Combined Statistical Area (CSA).

Cities and villages in the County provide various services pursuant to statutory authorizations and the constitutional grant to municipal corporations of "all powers of local self-government." Among the services provided and powers generally exercised by cities and villages (and to some extent by townships) are public safety, including police and fire; construction, maintenance and repair of streets and sidewalks; certain sanitation and health activities; recreation, including parks, playgrounds, and swimming pools; certain public service enterprises such as water and sewer systems, airports, and hospitals; and certain planning and zoning functions. Some of these services and powers may also be exercised by counties.

The County nonetheless has significant responsibilities in the areas of general government, administration of justice, road and bridge maintenance, health care, sanitation, and public welfare, social services and public assistance. The County also operates water and wastewater collection and treatment systems and a solid waste disposal facility.

Educational services are provided by the various school districts within the County. There are a number of other special districts and other governmental entities currently performing various functions in the County; these include, among others, the Lake Metroparks (park and recreation facilities and programs), Lakeland Community College and Lake Erie College (higher education facilities), Laketran Public Transportation System (public mass transit system), Lake Development Authority (economic development), the Fairport Harbor Port Authority (public port facilities), the Lake Metropolitan Housing Authority (low-income housing) and various library districts (public library facilities).

In addition to Lakeland Community College and Lake Erie College located in the County, within commuting distance to the County are numerous public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include Case Western Reserve University, Bryant & Stratton, John Carroll University, Cleveland State University, Kent State University, The University of Akron, Baldwin-Wallace College, Cuyahoga Community College, Ursuline College, The Cleveland Institute of Music and The Cleveland Institute of Art. Four year and graduate degrees are available through Lakeland's Holden Center from Cleveland State University, Franklin University, Kent State, University of Toledo, Ursuline College and Youngstown State.

Joining University Hospitals (UH) in 2021, Lake Health added multiple hospitals, health centers and physician offices to the UH system. UH offers comprehensive health

services in Lake County, ensuring convenient access to the most advanced healthcare close to home. UH offers the most advanced diagnostic and treatment services for the full spectrum of medical care. Lake Health locations include three Medical Centers and eight Health Centers throughout Lake, Geauga, Ashtabula, and Cuyahoga Counties. Facilities in Lake County include the Lake West and Tripoint Medical Centers, the Brunner Sanden Dietrick Wellness Center, the Lake Continuing Care Center and Lake SOM, Madison, Mentor, Perrico and Willowick Health Centers. With 1,825 employees, UH is the County's largest private employer.

Cleveland Clinic Mentor Hospital opened in July 2023 and is the Clinic's first hospital in Lake County. It features 34 inpatient/observation rooms, 23 outpatient rooms, 19 emergency department beds, 12 pre-/post-anesthesia care beds and four operating rooms. Inpatient care includes primary care, orthopedics and general surgery. Multiple outpatient services are also provided.

The County is served by diversified transportation facilities, including immediate access to 15 State, including the recently improved SR 2 and two U.S. highways and interstate highways 90 and 271. The County is served by Conrail, Amtrak and the Norfolk and Southern Railroads. Laketran provides both fixed line and on-demand bus service to County residents. The Lake County Executive Airport and Concord Airpark are located within the County to serve private aircraft. Cuyahoga County Airport, which also serves private aircraft, is located partially within the County. The Cleveland Hopkins International Airport, located approximately 30 miles west of the County, serves the County with regularly scheduled carriers. The area is served by over 100 trucking firms which distribute goods nationwide. Commercial and industrial businesses can also take advantage of the dock facilities of the Fairport Harbor Port Authority available at the Village of Fairport Harbor.

The County's area is broken down by land use as follows:

Percent of "Real" Assessed Valuation

Residential	73.39%
Commercial/Industrial	13.57%
Public Utility	4.39%
Exempt	7.72%
Agricultural	.93%
Oil/Gas/Mineral	0.00%
Total	100.00%

Source: County Auditor.

County Government

The County has only those powers (and powers incidental to them) conferred upon it by the State Constitution and statutes. A three-member Board of County Commissioners (the Board), elected at large in even-numbered years for four-year overlapping terms, is the legislative and executive body of the County.

There are eight other elected County administrative officials, each independent within the limits of the statutes relating to the particular office. These officials, elected to four-year terms, are the Auditor, Treasurer, Clerk of Courts, Recorder, Engineer, Sheriff, Prosecuting Attorney and

Coroner. Judges of the various courts -- common pleas, county and appeals -- are also elected, and serve six-year terms.

The general responsibilities of the Board are centered in the areas of financial management, management of most County facilities, and personnel administration. (See **County Services and Responsibilities.**)

The Board is responsible for providing and managing the moneys used to support most County activities. In providing this financial management, the Board exercises its legislative powers in budgeting, appropriating moneys, levying taxes, issuing bonds and notes, and letting contracts for public works and services.

The Budget Director/Finance Manager is appointed by the Board and serves the Board in an advisory capacity with respect to the financial matters.

Administration costs account for the largest share of the County's general fund expenditures.

There are several independent boards and commissions which administer a variety of services within the County, see **County Services and Responsibilities.** Some of these boards and commissions are appointed in their entirety by and are subject to complete fiscal control by the Board. Others have no members appointed by, the Board and may, to varying extents, be independent of fiscal control by the Board. There are also instances in which the Board does not have appointing powers but does have extensive financing, funding, budgeting and accounting responsibilities, such as for the Board of Elections and various courts.

County Officials

The elected County officials and major appointed County officials are listed below. All these officials serve full-time. The appointed officials are appointed by and serve at the pleasure of the Board, except for the Director of Elections who is appointed by County Board of Elections in even numbered years.

[Balance of Page Intentionally Left Blank]

Elected Officials

Position	Name	Years in Office	Expiration Date of Present Term
Commissioner	Morris W. Beverage III	1	January 2, 2029
	Richard J. Regovich	2	January 1, 2029
	John T. Plecnik	4	December 31, 2026
Auditor	Christopher A. Galloway	6	March 7, 2027
Treasurer	Michael Zuren	5	August 31, 2025
Prosecuting Attorney	Charles A. Coulson	30	January 5, 2029
Engineer	Alan L. Exley	1	January 5, 2029
Coroner	Dr. David J. Keep	2	January 5, 2029
Clerk of Courts	Carl DiFranco	1	January 5, 2029
Recorder	Becky Lynch	8	January 5, 2029
Sheriff	Frank Leonbruno	6	January 5, 2029
Judges of Common Pleas Court	Vincent A. Culotta	21	January 2, 2029
	John O'Donnell	11	January 4, 2029
	Patrick L. Condon	7	December 31, 2028
	Jeffrey W. Ruple	2	December 31, 2028
Probate Division	Mark J. Bartolotta	12	February 8, 2027
Juvenile Division	Michael L. DeLeone	2	January 3, 2027
Domestic Relations Division	Coleen A. Falkowski	24	January 1, 2027

Appointed Officials

Position	Name	Years in Office
Budget/Finance Manager	Zachary D. Underwood	2
Utilities Fiscal Controller	Rudy Campagne	12
Director of Job & Family Services	Suzanne Casar	4
Clerk to Commissioners	Jennifer Bell	12
County Administrator	Jason W. Boyd	13
Director of Elections	Dante Lewis	2
Sanitary Engineer	Randy Rothlisberger	10
Director of Administrative Services	Joel DiMare, Jr.	10

[Balance of Page Intentionally Left Blank]

In addition to the Board and the Finance/Budget Manager, three of the offices which can be grouped under the category of general government are of particular pertinence to the financial affairs of the County. See also **Financial Matters**.

The *County Auditor* is elected to a four-year term and has as one of his most important functions the task of assessing real property for taxing purposes. A complete reappraisal must be conducted every six years, and a triennial update between reappraisals. The Auditor is the fiscal officer of the County, and in general no County contract or obligation may be made without the Auditor's certification that funds are available for payment, and no account may be paid except by the Auditor's warrant drawn upon the Treasurer. The Auditor is responsible for the County payroll and also has statutory accounting responsibilities. The Auditor is a member and secretary of the Board of Revision, the Budget Commission, the Building Commission, the Records Commission and the Microfilming Board, and is the administrator and supervisor of the County Data Processing Center.

The *County Treasurer* is required to collect certain taxes and to distribute them to various governmental units. The Treasurer is the disbursing agent for expenditures authorized by the Board and has charge of the Bond Retirement Fund and, generally, of County investments. The Treasurer is to make daily reports to the Auditor showing receipts, payments and balances, and the Treasurer's books of account are to balance with those of the Auditor. The Treasurer is a member of the Board of Revision and the County Budget Commission.

The Treasurer, Auditor and Prosecuting Attorney form the *County Budget Commission* which plays an important part in certain aspects of the financial administration of local governments.

Employees

The County has 1,700 full-time and part-time employees in various job classifications. Due to seasonal requirements, the number of temporary part-time employees ranges from a high estimate of 200 to a low of 100. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

[Balance of Page Intentionally Left Blank]

Full-time employees are represented by the following bargaining units:

Employees	Organization	Numbers of Members of Bargaining Unit	Labor Agreement Expiration Date
County Commissioners Group	Communication Workers of America (CWA), Local 4340	63	December 31, 2026
Narcotics Agency	Ohio Patrolman's Benevolent Association	7	March 31, 2027
Prosecutor's Clerks	CWA, Local 4340	15	March 31, 2027
Sheriff's Dept. (Cooks and Clerks)	CWA, Local 4340	18	March 31, 2026
Sheriff's Dept. (Dispatchers)	Ohio Patrolman's Benevolent Association	19	March 31, 2026
Sheriff's Department (Deputized Sergeants & Deputized Lieutenants)	Ohio Patrolman's Benevolent Association	12	March 31, 2026
Sheriff's Department (Deputized Deputies)	The Fraternal Order of Police	47	March 31, 2026
Sheriff's Department (Non-Deputized Sergeants & Lieutenants)	OH Patrolman's Benevolent Association	13	March 31, 2026
Sheriff's Department (Corrections Officers)	OH Patrolman's Benevolent Association	79	March 31, 2026
Job and Family Services	CWA, Local 4340	119	June 30, 2028
Board of Mental Retardation & Developmental Disabilities (Teachers and Nonteaching)	Lake Employees Association for Developmentally Disabled	209	December 31, 2026
Sheriff's Dept.(Dispatchers Sergeants and Lieutenants)	OH Patrolman's Benevolent Association	7	March 31, 2026

The remaining full-time County employees are not members of a bargaining unit.

Generally the terms of the salaries, wages and other economic benefits for County employees have been the products of negotiations with representatives of the employees or bargaining unit. Increases in economic benefits have been provided on an annual basis.

In the judgment of the Board, labor relations with County employees have been and are considered to be good.

County Facilities

Present County facilities include: the County Detention Facility (Jail), the Misdemeanant Facility, the Courthouse, the County Administration Building, the County Department of Job and Family Services and the facilities of the County Engineer, the Dog Warden, the Solid Waste Management District, the Forensic Crime Laboratory, the County Narcotics Agency, the Erie Street Annex, the Juvenile Justice Center, the County Health District, Courthouse West Annex and the Courthouse Annex. Leased space includes that for the ADAMHS Board.

The County Engineer, required by law to be a registered professional engineer and surveyor, serves as the civil engineer for the County. His primary responsibilities relate to the construction, maintenance, and repair of the 150 miles of County roads, and of bridges and storm and surface water runoff and other drainage systems. The Board takes bids and awards contracts for projects recommended and approved by the Engineer.

The County currently carries blanket real property and contents insurance in the amount of \$823,282,435, with a deductible of \$10,000.00.

County Services and Responsibilities

The following descriptions are of selected County services and responsibilities.

Public Assistance and Health

The Department of Job and Family Services administers the public welfare functions within the County. The Department is headed by a Director who is appointed by and responsible to the Board of County Commissioners.

The Department is one of the largest departments in County government with 186 full-time employees. The Ohio Department of Job and Family Services certifies the expenditures of the various programs to be administered by the Department, which are partially supported by a local County share of the cost. Most of the funding for programs administered by the Department flows directly from the State and federal governments to welfare recipients in programs for which the County performs various administrative tasks such as eligibility determination. Expenditures of the County's own funds for the activities and programs of the Department (the Mandated Share) are funded from the County's general operating funds. In 2024, \$385,395 was transferred from the General Fund to the Public Assistance Fund as the Mandated Share to support those programs; in 2025, the Board has appropriated a transfer of \$425,000 from the General Fund to the Public Assistance Fund as the Mandated Share.

The County's non-reimbursable costs include: various public assistance expenditures that exceed administrative cost ceilings established by the State (excess ceiling costs); expenditures in excess of certain State standards (e.g., fringe benefit levels for Department employees); public assistance programs which are entirely a local option; and recipient aid paid in excess of State maximum allowances such as direct relief (ineligible program costs).

The County's child welfare program, which provides foster homes and other children's services in the County, is administered by the Department through the Board of County Commissioners. In addition, the Department manages the Caley Receiving Home, a facility caring for neglected, abused, or dependent children on a temporary basis. The Home has a capacity for 16 children and is funded through a separate .7 mill levy which was most recently approved by the voters in 2017, for first collection in 2019 and expiring with its final collection in 2028. An additional .4 mill levy was also approved by the voters in 2017, for first collection in 2019 and expiring with its final collection in 2028.

The Child Support Enforcement Agency, administered by the Department, locates absent parents, helps to establish paternity, works with parents in completing requirements for support orders and collects and distributes child support funds and spousal support from divorced parents. The Child Support Enforcement Agency is financed from transfers from the General Fund, State and federal monies and collection fees. In 2024, \$600,000 in funding was provided from the General Fund to the Child Support Enforcement Fund to support the activities of the Child Support Enforcement Agency. In 2025, the Board of County Commissioners appropriated \$685,000 to provide funding to the Child Support Enforcement Fund.

Various commissions and boards, and facilities, also operate in the area of health and public assistance, but separately from the County Department of Human Services.

- The *Veterans Service Commission (the Veterans Commission)* assists veterans and their dependents in securing the materials and information needed to apply for and receive assistance under the various programs administered by the Veterans Administration. The five members of the Veterans Commission are appointed by the Common Pleas Court and serve five- year terms. The activities of the Veterans Commission are financed from the County General Fund. In 2024, an aggregate amount of \$1,015,877 was expended from the General Fund for the activities of the Veterans Commission and related veterans assistance programs.
- The County's program for developmental disabilities, operated through the *Board of Developmental Disabilities (the DD Board)*, provides various services to developmentally disabled children and adults, including training classes, workshops, and home services. Of the seven members of this Board, five are appointed by the Board and two by the County Probate Judge for three-year terms. In addition to receiving State reimbursement and tuition reimbursement from the boards of education in the County, the DD Board is currently funded by continuing voted tax levies aggregating 4.9 mills. These levies generate a total of approximately \$28.5 million annually.
- The *Alcohol, Drug Addiction and Mental Health Services Board (ADAMHS)* was established in 1989 and is responsible for the planning and administration of alcohol and drug rehabilitation programs and mental health programs. The ADAMHS Board is comprised of 14 board members, nine of whom are appointed by the Lake County Commissioners, five of whom are appointed by the Ohio Department of Mental Health and Addiction Services. Mental health, alcohol and drug addiction programs are partially funded by a .9 mill tax levy, first approved in 1976, first collected in 1977 and expiring with its final collection in 2036. Alcohol and drug addiction programs are partially funded by a .7 mill tax levy, first approved in 1989, first collected in 1990 and expiring with its final collection in 2027. The balance of the ADAMHS board budget is provided from State and federal funds.

- The voters first approved a .3 mill Senior Citizens Services tax levy in November 1996. In 2001, voters approved a .3 mill replacement levy. In 2006, voters approved a .3 mill replacement levy plus an additional .1 mill. In 2012, voters approved a .4 mill renewal levy plus an additional .1 mill. In 2017, the voters approved the renewal of the .5 mill levy along with an additional .3 mill levy, for a total of .8 mills. This levy was renewed by voters in November, 2022 and expires in 2027. The levy generates approximately \$4.8 million annually and is used to provide and maintain senior citizens services and facilities.
- The *County Board of Health* consists of 14 members, ten of whom serve five-year overlapping terms and are appointed by the nine cities in the County (two by Mentor as the largest County and one each by the eight others), and four of whom are appointed each year by the District Advisory Council. The Council consists of the President of the Board, the Chairman of the Trustees of each Township in the County and the Mayors of the County Villages. The County Board of Health provides health services in the County and is headed by a Health Commissioner who serves as the Chief Executive of the Board of Health. The County Board of Health is responsible for the inspection of public and private water supply systems, septic tank systems, plumbing, bathing areas and food service operations and receives monies from state and federal funds, and local fees such as inspection and license fees.

Recreation

The County Metropolitan Park District, known as Lake Metroparks, is governed by a three member board appointed by the Probate Court Judge to acquire, develop and improve lands for the conservation of natural resources by the creation of parks, parkways and reservations. It is funded by a .1 mill unvoted tax levy which is subject to the approval of the County Budget Commission and which was first collected in 1960; a .3 mill ten-year voted tax levy approved in 1984, first collected in 1986 and which was replaced at the November, 1994 election with a .3 mill ten-year tax levy approved by the voters, and a 1.9 mill ten-year voted levy approved in 1996, first collected in 1997, renewed for 10 years in 2005 and again in 2015 and expiring with its final collection in 2025. At the November 2011 election, a .3 mill replacement and additional .5 mill ten-year tax levy was approved by the voters which expired in 2022. In 2021 the .8 mill was renewed with an increase of .40 mill and approved for a period of 10 years and expires in 2030.

The County also boasts numerous cultural and recreational attractions including Headlands Beach State Park - the longest in Ohio, Chagrin River Harbor, North Chagrin Reservation and Squire's Castle, Holden Arboretum, Chalet Debonne Vineyard - the second largest vineyard in the State, the Indian Museum of Lake County, the Marine Museum and Lighthouse, Lake Farmpark, "Lawnfield" - the home of President James A. Garfield, Lake Erie College Equestrian Center, the Mentor Marsh and the County's newest recreational facility – the Eastlake Stadium which is home to the Lake County Captains, the Cleveland Guardians Class A farm club. In addition, County residents and visitors can take advantage of 40 properties encompassing about 7,600 acres of parkland operated by Lake Metroparks, the County's Park District. The Chagrin and Grand Rivers flow into Lake Erie at Lake County. Golf enthusiasts can be satisfied by the numerous golf courses located throughout the County.

Education

The Lakeland Community College District provides higher education services. The District is funded in part by a 1.7 mill continuing voted tax levy, approved in 1972 with first collection in 1973; and a 1.5 mill 10-year voted tax levy approved in 2002, first collected in 2003, replaced in 2010 and expiring with its final collection in 2022, renewed in 2021 expiring in 2031. In 2015 a \$40,000,000.00 debt levy was approved for a period of 27 years. This millage is currently levied at 0.32 mills.

Transportation

County-wide transportation is provided by Laketrans which is a County transportation system supported by user charges and by a voted .25 percent sales tax, first approved in 1988, most recently renewed in 2019 for a period of 10 years. The Laketrans Board of Trustees voted to temporarily suspend collection of the .25 percent sales tax for 2024 due to a \$22 million surplus in COVID relief funds available to it. On July 1, 2025, the temporary suspension of the .25 percent of sales tax was reacted. The Board will review on an annual basis whether to continue suspension of the collection or resume collection of the tax. According to the agency, \$12 million of its COVID-19 relief funds will be returned to taxpayer's wallets by temporarily pausing the agency's .25 percent sales tax, which was approved by Lake County voters in 2019. As a result of the Board's action, total sales tax levied in Lake County will reduce from 7.25% to 7.00%, effective July 2024. This reduction will have no impact on the County's General Fund or its sales tax collections for general County operations.

Administration of Justice

As a part of the administration of the justice system in the County, the County maintains the Common Pleas Court (the court of general jurisdiction), which includes the Juvenile Division, the Domestic Relations Division and the Probate Division. The Prosecuting Attorney's office, the County Detention Facility are also maintained by the County.

In addition to his responsibilities as a prosecutor of criminal cases, the Prosecuting Attorney is designated by Ohio law as the chief legal counsel for all County officers, boards and agencies, including the Board, the County Auditor and the County Treasurer, and all townships and local school districts. In addition, he is a member of the County Budget Commission.

The Clerk of Courts keeps all official records of the Common Pleas Court and, when the Court of Appeals holds sessions within the County, she also serves as Clerk of the Court of Appeals. The office of Clerk of Courts operates on a system of fees charged for services.

The County Sheriff is the chief law enforcement officer of the County, and provides certain specialized services, which includes maintaining a special staff of deputies whose duties are to assist local law enforcement officers upon their request and to enforce the law in unincorporated areas of the County. The Sheriff also operates and maintains the County Jail and is responsible for its inmates, including persons detained for trial or transfer to other institutions. As an officer of the County Courts, the Sheriff is in charge of the preparation and service of documents.

County Utilities

The County Department of Utilities operates a wastewater system comprised of three regional wastewater treatment facilities, four individual package plants and approximately 830

miles of sanitary sewer mains (the Wastewater System) providing sanitary sewer service to approximately 39,000 customers in the municipalities of Fairport Harbor, Mentor, Mentor-on-the-Lake, portions of North Perry Village, Perry Village, Willoughby Hills and in portions of Concord, Leroy, Madison, Painesville and Perry Townships. A uniform rate has been established for the three regional wastewater treatment facilities even though they are geographically independent. Revenues generated by the Wastewater System were sufficient in 2024 to pay the costs of operation and maintenance of the Wastewater System and to provide all amounts necessary to pay debt service on obligations incurred to finance improvements to the Wastewater System, including Ohio Water Development Authority obligations. It is anticipated that the Wastewater System will continue to generate sufficient revenues to make such payments in the future. In 2024, the Wastewater System had, on a cash basis, total operating revenues of \$24,204,507 (excluding investment earnings); total operating expenditures of \$15,429,030.32 (excluding depreciation expense); capital outlay of \$2,949,273.92 funded in part, through the issuance of BANS in anticipation of the levy and collection of special assessments; and cash and cash equivalents at the end of the year of \$16,238,142.41.

The County also operates a potable water supply system comprised of two independent water treatment facilities and approximately 570 miles of water lines (the Waterworks System) serving approximately 41,000 customers in the cities of Eastlake, Wickliffe, Willoughby, Willoughby Hills and Willowick, and the Villages of Lakeline and Timberlake, and portions of the Villages of Perry and Madison and Madison, Painesville and Perry Townships. The Board also adopted legislation implementing rate increases as necessary to pay the costs of operation and maintenance of the Waterworks System and to provide all amounts necessary to pay debt service on obligations incurred to finance improvements to the Waterworks System, including Ohio Water Development Authority obligations. It is anticipated that the Waterworks System will generate sufficient revenue to make such payments in the future. In 2024, the Waterworks System had, on a cash basis, total operating revenues of \$20,602,834.92 (excluding investment earnings); total operating expenditures of \$16,133,072.66 (excluding depreciation expense); capital outlay of \$3,220,388.20, funded, in part, through the issuance of BANs in anticipation of the levy and collection of special assessments; and cash and cash equivalents at the end of the year of \$11,717,205.15.

The County also operates a solid waste disposal facility which is available to the entire County and which is used by almost all areas of the County. The Solid Waste Fund was established to account for the financial operations of the County's solid waste disposal activities. Revenues generated from tipping fees charged for those activities were sufficient in 2024 to pay the costs of operation and maintenance of the solid waste removal and landfill activities. It is anticipated that those activities will continue to generate sufficient revenues to make such payments in the future. In 2024, the Solid Waste Fund had, on a cash basis, total operating revenues of \$8,239,607.84 (excluding investment earnings); total operating expenditures of \$6,527,765.94 (excluding depreciation expense); capital outlay of \$1,558,874.75; and cash and cash equivalents at the end of the year of \$7,221,932.23.

Solid Waste Management

The County formed the Lake County Solid Waste Management District to provide for solid waste-planning and management within the County in accordance with Ohio House Bill 592. A Solid Waste Management Policy Committee was created to develop and obtain local and Ohio EPA approval of a solid waste management plan for the District (the Plan).

The Plan was approved by Ohio EPA in 1992; and the Board is charged with responsibility for implementing the Plan and updating it every three years.

Funding for the operation of the District came entirely from the collection of “tier fees” at the solid waste disposal facilities located in the County prior to 1994. The tier fees, first ratified by local communities in August 1991 and confirmed in the Plan, were collected in the amount of \$10 per ton of in-District waste, \$20 per ton for out-of-District (but in-State) waste and \$30 per ton for out-of-state waste. Ohio Senate Bill 153 enacted in 1993 required the reduction of the tier fees to the maximum permitted rates of \$2 per ton for in-District waste, \$4 per ton for out-of-District (but in-State) waste and \$2 per ton for out-of-state waste, as of January 1, 1994. The County raised and restructured its tipping fees as of January 1, 1994 to compensate for that statutory reduction of the tier fees. The tipping fees are available to be expended for the same purposes as the tier fees.

The District Plan provides for a County Contracted Recycling Program and a limited term Lake County Residential Recycling Grant Program which provides funding up to \$1 million annually to support recycling programs and activities. In addition, the District provides other major programs: household hazardous waste collections that have occurred annually since 1990, annual used computer and cell phone collections that began in 2002, as well as annual scrap tire and scrap phone book collections.

Economic and Demographic Information

Population

Recent census population has been:

Year	County
1970	197,200
1980	212,801
1990	215,499
2000	227,511
2010	230,041
2020	232,603

Employment

The following table shows comparative average monthly employment and unemployment statistics for the indicated periods.

Year(s)	Employed	Unemployment Rate		
	County	County	State	U.S.
2020	101,385	13.9	5.4	6.7
2021	116,546	5.0	5.2	5.3
2022	119,593	4.3	3.7	3.6
2023	121,095	3.3	3.3	3.9
2024	119,900	3.9	4.6	4.2
2025	118,700	4.5	5.3	4.4

Source: Ohio Department of Job and Family Services (Labor Market Information). Not seasonally adjusted.

The following employers (private and public) have the largest work forces within the County (as of January 1, 2025):

Employer	Nature of Activity or Business	# of Employees
University Hospitals	Health care	1,916
Lubrizol Corporation	Chemical additives	1,300
Lake Hospital Systems, Inc.	Health care	1,200
Lake County Governments	County Government	1,000
Wiseco Piston Co. Inc.	Carburetors, Pistons Manufacturing	900
Steris Corporation	Electric Utility	843
Signature Health, Inc.	Health Care	800
Deepwood Center-Mental Retardation	County Office	700
RW Sidley Inc.	Construction Sand and Gravel	700
Integra Testing Services LLC	HVAC Testing	535
Avery Dennison Corporation	Adhesives products	532
Lake County Community College	Community College	519

Source: Lake County

Income

Census reports show the 2020 estimated for median income for County families was \$76,835, compared to State and national medians of \$66,990 and 75,149. According to the Ohio Department of Taxation, the average federal adjusted gross income for County residents filing Ohio individual income tax returns for calendar year 2021 was \$78,713, compared to the statewide average of \$66,744.

ECONOMIC OVERVIEW

Lake County boasts a diversified economic base encompassing sectors such as military, aerospace, chemical manufacturing and research, metal manufacturing, custom machinery, health care, nurseries, and government services. The County is divided into distinct industrial, commercial, and residential zones. The western third of the County is highly developed, housing numerous industrial and commercial corporations along with some of the County's most established residential neighborhoods. The northeastern coastline is home to the County's shipping industry and offers premier recreational activities. The eastern and southeastern sections have experienced significant residential growth while preserving substantial rural areas. The central portion, notably the Cities of Mentor and Painesville, serves as the County's retail hub and government seat, respectively.

Business Retention, Expansion, and Attraction

In 2007 the County Commissioners established the Lake Development Authority (LDA) to revitalize the County by attracting new development, improving transportation, and enhancing recreational and cultural activities. The LDA, functioning as a Port Authority under Ohio law, offers various economic development tools.

These powers include the ability to acquire, lease, and improve property, and issue both taxable and tax-exempt bonds. Since 2012 the LDA has issued over \$209,000,000 lease revenue bonds for projects including manufacturing buildings, medical office space, and mixed-use retail development.

The LDA also acts as Lake County's liaison for JobsOhio, a unique private economic development corporation dedicated to fostering high-growth business investments and job creation. Established 12 years ago, JobsOhio leverages private financial resources, seasoned professionals with private sector expertise, a statewide network of economic development partners, and a long-term investment outlook to attract, retain, and expand businesses across the state. From 2012 to 2024, the collaboration between the LDA and JobsOhio has resulted in the creation of 2,113 new jobs within Lake County culminating in over \$275 million in total fixed investments. These projects have generated approximately \$126 million in payroll with notable contributions from manufacturing expansions.

Tourism and Retail Sector Impact

Lake County is a prominent tourist destination, renowned for its location along the shores of Lake Erie, numerous historical landmarks, outstanding Lake Metroparks system, many family-friendly attractions and finally the award-winning wineries of the Grand River Valley . Tourism is a vital component of the local economy accounting for over 8,922 jobs which is 6.5% of all jobs in the County. According to a study by Tourism Economics, the Lake County Visitors Bureau reports that in 2023, visitors generated almost \$658 million in direct spending. A 2022 study by the Ohio Grape Industries Committee demonstrated that the wine industry alone in Lake County supports nearly 650 jobs and has a direct economic impact of almost \$75 million. Between 2019 and 2024 hotel occupancy rates have risen by 6.5% and the Average Daily Rate for rooms has risen by 18%.

Leveraging Lake Erie

Lake Metroparks recently completed the first half of a 2.5-mile lakefront trail connecting Fairport Harbor beachfront to Painesville Township fishing pier, collectively attracting approximately 450,000 visitors annually. Additionally, Mentor Headlands State Park draws nearly 1 million visitors each year. Most recently, the Headlands State Park closed in mid-June 2024 for motion picture production activity; few details have been released about the movie, slated for release in July 2025 but it's considered a reboot of the Man of Steel's story, which began in real life in Cleveland in the 1930s.

The Fairport Harbor commercial port is a significant hub for trade and commerce, handling 1.9 million tons of material annually and supporting a major Morton Salt mine under Lake Erie. The port is interconnected with 13 other commercial ports, collectively responsible for 1,900 jobs and \$103 million in labor income.

Retail Sector

Lake County's retail sector remains robust, anchored by the Great Lakes Mall in Mentor and newer retail developments in Willoughby, Concord, and Madison. The County is home to major retail giants, including Wal-Mart, Kohl's, Dick's Sporting Goods, Best Buy, Target, Giant Eagle Supermarkets, Home Depot, Lowe's, Walgreens, CVS, Regal Cinemas, B.J.'s Wholesale Club, and Sam's Club. Despite some retail closures, most of the County's "big-box" stores remain occupied.

As of May, 2024, the City of Mentor reports that retail sales reach \$1.5 billion annually ranking it as the 6th largest in retail sales volume in Ohio. This includes 325 retailers, over 170 eateries, 32 shopping centers, and over 3.3 million square feet of retail development. Willoughby Commons and the Euclid Avenue corridor in Willoughby maintain strong occupancy with a mix of corporate and independent businesses. Similarly, Shoregate Shopping Center in Willowick continues to thrive after significant renovations, maintaining a strong retail presence in western Lake County.

Permits

The following is Census information concerning housing in the County followed by comparative State statistics.

2020 Median Value of Owner- Occupied Homes(a)	Units in 2010	Units in 2020	% Change
\$189,600	101,468	105,315	+3.8
\$183,300	5,127,508	5,242,524	+2.2

Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-year estimates.

County Auditor figures show the following average sales price of residential property in the County:

Year	Value
2019	\$187,424
2020	273,800
2021	229,112
2022	242,571
2023	264,657
2024	283,263

The number of all building permits (including commercial, industrial, residential and public, excluding internal alterations) issued by the County (excluding those permits issued by individual municipalities in the County) in recent years, as reported by the Lake County Building Department, and the estimated valuation of those permits was:

Year	Number	Value
2019	265	\$106,479,097
2020	343	81,109,024
2021	420	174,008,278
2022	375	146,499,154
2023	270	165,452,455
2024	273	288,256,371

FINANCIAL MATTERS

Introduction

The County's Fiscal Year corresponds with the calendar year.

The main sources of County revenue have been and are property taxes, sales-use taxes, charges for services, and federal and State distributions, as described under Ad Valorem Property Taxes and **Other Major County General Fund Revenue Resources**, and in **Appendices B and C**.

The responsibilities for the major financial functions of the County are divided among the Auditor, the Treasurer, and the Board and its Budget Director.

Important financial functions include general financial recommendations and planning by the Budget Director; budget preparation by the Board with the assistance of the Budget Director; and express approval of appropriations by the Board.

The Auditor is the principal fiscal officer of the County and has statutory responsibilities that include: keeping and supervising all accounts showing the County's financial transactions; the assessment of real property, subject to supervision by the State Tax Commissioner; issuing licenses and collecting license fees; and maintaining records of and paying County debt. The Auditor also prepares an annual financial report filed with the office of the Ohio Auditor of State (the State Auditor).

Under Ohio law, the Auditor is not permitted to allow the amount of appropriations to be overdrawn, or to allow the expenditure of moneys for purposes other than those for which they were appropriated. No County contract, agreement or other obligation involving the expenditure of money may be entered into unless the Auditor first certifies that the money required is in the County's treasury or in the process of collection to the credit of the fund from which it is to be paid and not appropriated for any other purpose.

The Treasurer acts as the custodian, investment authority and disbursing agent for County funds and also keeps books of account which are to balance with those kept by the Auditor. For a further description of the Treasurer's responsibilities, see **The County -- County Government - County Officials**.

The Board is responsible for general policy decisions with respect to most of the financial affairs of and borrowing by the County, as well as for overall fiscal planning. The Board must approve the annual budget and make appropriations for most County activities.

Billing and collecting of property taxes and special assessments are by the County Auditor and County Treasurer, respectively.

For more detailed discussions of the County's accounting procedures and the auditing of the County's accounts see **Financial Reports and Audits**, and of the assessment of real and tangible personal property see **Ad Valorem Property Taxes**.

Investments and deposits of County funds are governed by the Uniform Depository Law (Chapter 135 of the Revised Code) applicable to all noncharter counties. The County Treasurer is responsible for those investments and deposits. Under recent and current practices, and the County's adopted investment policy, in addition to deposits evidenced by interest bearing certificates of deposit, investments are made in the State Treasurer's subdivision investment pool (STAR Ohio), U.S. government securities and commercial paper. The County's investment portfolio has averaged approximately \$199 million for the past three years.

Budgeting, Tax Levy and Appropriations Procedures

Detailed provisions for budgeting, tax levies and appropriations are made in the Revised Code, including a requirement that the County levy a property tax in a sufficient amount, with any other moneys available for the purpose, to pay the debt service on securities payable from property taxes.

The law generally requires that a subdivision prepare, and then adopt after a public hearing, a tax budget approximately six months before the start of the next fiscal year. The tax budget then is presented for review by the county budget commission, comprised of the county auditor, treasurer and prosecuting attorney. However, a county budget commission may either waive the requirement for tax budget or permit an alternative form of tax budget with more limited information. The County Budget Commission has permitted an alternative form of a tax budget from the County.

The County Auditor estimates the tax rates outside and inside the ten-mill limitation. Thereafter, and before the end of the then Fiscal Year, the Board of County Commissioners approves the tax levies and certifies them to the proper County officials. The approved and certified tax rates are then reflected in the tax bills sent to property owners. Real property taxes are payable in two equal installments, the first usually in February and the second in July.

The Board adopts a permanent appropriation measure for that Fiscal Year by January 1. Although called "permanent," the annual appropriation measure may be, and often is, amended during the Fiscal Year. Annual appropriations may not exceed the County Budget Commission's official estimates of resources, and the County Auditor must certify that the County's appropriation measures do not appropriate moneys in excess of the amounts set forth in those estimates.

Financial Reports and Audits

The County maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the State Auditor. The State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.

County receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the State Auditor which are generally applicable to all Ohio political subdivisions. Beginning with Fiscal Year 1987, the records of these cash receipts and expenditures have been converted annually for audit purposes to a modified accrual basis of accounting. These accounting procedures conform to generally accepted accounting principles as recommended by GASB.

Those recommendations, among other things, provide for a modified accrual basis of accounting for governmental funds, including the general fund, all special revenue funds, capital project funds and the debt service (bond retirement) fund and agency funds and for a full accrual basis of accounting for propriety enterprise funds, and for the preparation for each fund of balance sheets, statements of revenues and expenditures, and statements showing changes in fund balances.

Audits are made by the State Auditor, or by CPAs at the direction of that officer, pursuant to Ohio law, and examinations or audits are made under certain federal program requirements. No other independent examination or audit of the County's financial records is made.

The most recent audit (including compliance audit) of the County's accounts by the State Auditor was completed through Fiscal Year 2023. The State Auditor's office is currently conducting the Fiscal Year 2024 audit.

Annual financial reports are prepared by the County, and filed as required by law with the State Auditor after the close of each Fiscal Year.

See **Appendix B** for an unaudited comparative cash basis summary of General Fund receipts and expenditures for the last five Fiscal Years and budgeted for Fiscal Year 2025. Those summaries have been prepared by the County in comparative form based on its records. **Appendix C** contains the audited General Purpose Financial Statements for Fiscal Year 2023.

The audited financial statements are public records, no consent to their inclusion is required, and no bring-down procedures have been undertaken by the State Auditor since the date of the audit report.

[Balance of Page Intentionally Left Blank]

AD VALOREM PROPERTY TAXES

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the County.

Tax Collection Year	Real^(a)	Public Utility^(b)	Total Assessed Value
2016 ^(c)	\$5,473,255,190	\$365,366,350	\$5,838,621,540
2017	5,480,454,550	398,760,490	5,879,215,040
2018	5,503,360,890	346,036,130	5,849,397,020
2019 ^(d)	5,967,599,530	361,378,000	6,328,977,530
2020	5,998,749,760	370,532,690	6,369,282,450
2021	6,038,264,250	379,723,770	6,417,988,290
2022 ^(c)	6,959,994,870	388,624,690	7,348,619,560
2023	7,004,095,750	413,040,050	7,417,135,800
2024	7,060,564,300	418,013,430	7,478,577,730
2025	8,950,162,830	446,683,080	9,396,845,910

(a) Other than real property of railroads. The real property of public utilities other than railroads is included on the general tax list and duplicate and assessed by the County Auditor. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.

(b) Tangible personal property of all public utilities and real property of railroads. See footnote (a).

(c) Reflects triennial adjustment.

(d) Reflects sexennial reappraisal.

Taxes collected on “Real” in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of the preceding year. Taxes collected on “Tangible Personal” in one calendar year are levied in the same calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before December 31 of that calendar year, and at the tax rates determined in the preceding year. “Public Utility” property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

Based on County Auditor records of assessed valuations for the 2025 collection year, the largest County ad valorem property taxpayers are:

Real Property

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>
First Energy Nuclear Generation	Perry Power Plant	\$72,012,150
FirstEnergy Generation Corp	Eastlake Coal Plant	25,234,070
Lubrizol Corporation	Manufacturer of chemical additives	19,931,790
Mall Ground Portfolio LLC	Developer of Great Lakes Mall	18,977,080
Tam A Rac Apartments LLC	Residential developer	17,126,180
Steris Corp	Medical Equipment	12,555,360
Winchester Apts LTD	Apartments	10,744,880
Lake Development Authority	Port Authority	10,413,120
Willoughby Commons LLC	Shopping Plaza	9,814,770
Pine Ridge G&H LLC	Apartments	9,451,070
Bishop Park Towers	Apartments	8,640,890
Lake Hospital Systems	Health care	8,452,570

Public Utility (Real and Tangible Personal)

American Transmission	Electric Utility	\$188,708,380
CEI	Electric Utility	144,147,340
First Harbor Nuclear	Electric Utility	52,900,610
Aqua Ohio, Inc.	Water Utility	29,769,730
East Ohio Gas	Natural Gas Utility	22,830,610
Northeast Ohio Natural Gas	Natural Gas Utility	3,734,460
CSX Transportation	Railroad	976,750
Norfolk	Railroad	449,100

Source: County Auditor

Pursuant to statutory requirements for sexennial reappraisals, in 2024 the County Auditor adjusted the true value of taxable real property to reflect then current fair market values. These adjustments were reflected in the 2024 duplicate (collection year 2025) and in the ad valorem taxes distributed to the County in 2019 and thereafter. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values.

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

Public utility tangible personal property (with some exceptions) is currently assessed from 25% to 88% of true value.

The General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property, and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class.

These tax credits apply only to certain voted levies on real property, and do not apply to unvoted tax levies or voted tax levies to pay debt service on general obligation debt. These credits are discussed further following **Tax Table A**.

Municipal corporations and counties may create “community reinvestment areas” in which ad valorem tax abatement may be granted for any increased property valuation resulting from improvements to real property in the form of new construction or remodeling of existing structures by the property owner. In such areas, residential, commercial or industrial facilities are eligible for those real property tax incentives. This program is designed to be controlled at the local level by the local legislative body, including control over the size and number of such “community

reinvestment areas” as well as the number of years of tax abatement. The County has created community reinvestment areas.

Tax Rates

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

Only cities, villages, school districts, townships and regional transit authorities may, as may the County, levy ad valorem property taxes within the 10-mill limitation (subject to available statutory allocation of the 10 mills) described under Indirect Debt and Unvoted Property Tax Limitations. The following are the rates at which the County and the taxing subdivisions it overlaps levied ad valorem property taxes for the collection year

[Balance of Page Intentionally Left Blank]

TAX TABLE A

Tax Rates Within the County

RATES OF TAXATION FOR 2024 (Payable 2025)

In pursuance of law, Section 323.08, I MICHAEL ZUREN, TREASURER of Lake County, Ohio do hereby give notice that the number of mills levied on each dollar of property listed for taxation within said county for the tax year 2024 is as follows:

FOR GENERAL COUNTY PURPOSES:	INSIDE	OUTSIDE	TOTAL
General Fund	1.00		1.00
Metropolitan Park District (Lake Metroparks)	0.10	3.10	3.20
Lakeland Community College		3.45	3.45
Board of Developmental Disabilities (Deepwood)		4.90	4.90
Board of Alcohol, Drug Addiction & Mental Health Svcs		1.60	1.60
Narcotics Agency		0.30	0.30
Child Welfare		1.10	1.10
Senior Citizens		0.80	0.80
Regional Forensic Crime Laboratory		0.70	0.70
Total	1.10	15.95	17.05

FOR LOCAL PURPOSES - See Table Below

PLEASE NOTE:

On your real estate tax bill, the "Other" distribution is comprised of the following entities for the respective districts noted:

Madison or Perry Fire Districts - (Only Taxing Districts noted in column (A) below)
Lake County School Financing District - (Only Taxing Districts noted in column (B) below)

***Taxes are computed on each \$1,000.00 of assessed valuation.
(Assessed value is 35% of market value)

District No.**	District Name	County	Township	(A) Fire District	Municipal	Library District	School	(B) Lake City School Finance District	Joint Vocational School	Total per \$1,000***	Residential/Agricultural Effective Rate per \$1,000***	Commercial/Industrial Effective Rate per \$1,000***	District No.**
1	Madison Township	17.05	14.95	10.48		2.25	58.91	4.90	1.50	110.04	54.094614	71.700418	1
2	Madison Village	17.05	0.95	10.48	5.80	2.25	58.91	4.90	1.50	101.84	49.636717	64.710025	2
3	Perry Township	17.05	6.50	10.40		1.75	44.20	4.90	1.50	86.30	46.258572	64.853380	3
4	Perry Village	17.05	1.30	10.40	2.30	1.75	44.20	4.90	1.50	83.40	44.353797	62.509817	4
5	North Perry Village	17.05	1.30	10.40	2.30	1.75	44.20	4.90	1.50	83.40	44.353797	62.509817	5
7	Leroy Township	17.05	13.80			1.00	58.73	4.90	1.50	96.98	49.331882	60.194371	7
8	Concord Township/Painesville	17.05	16.02			1.00	58.73	4.90	1.50	99.20	51.160503	67.087389	8
9	Concord Township/Chardon	17.05	16.02			1.00	60.68		1.50	116.25	54.848493	75.267545	9
10	Concord Township/Mentor	17.05	16.02			2.00	79.07			114.14	50.782120	75.055823	10
11	Painesville Township	17.05	24.62			1.00	58.73	4.90	1.50	107.80	53.551630	70.296056	11
12	Painesville Township/Fairport	17.05	24.62			2.34	86.12		1.50	131.63	60.703513	87.746501	12
13	Grand River Village	17.05	0.50		10.50	1.00	58.73	4.90	1.50	94.18	47.321214	60.505326	13
14	Fairport Harbor Village/Port Auth.	17.05	0.50		26.36	2.34	86.12		1.50	135.87	65.000229	92.881010	14
15	Painesville City	17.05			10.67	1.00	87.31	4.90	1.50	122.43	53.331854	86.803643	15
16	Mentor City	17.05			4.50	2.00	79.07			102.62	43.018700	63.665369	16
19	Mentor-on-the-Lake City	17.05			28.55	2.00	79.07			126.67	54.038757	77.285898	19
20	Kirtland City	17.05			11.05	1.00	71.20		1.50	101.80	51.553754	55.826025	20
21	Willoughby City/Kirtland	17.05			10.40	1.00	71.20		1.50	101.15	52.400965	57.858025	21
22	Kirtland Hills Village/Mentor	17.05			23.00	2.00	79.07			121.12	62.108200	82.377175	22
24	Kirtland Hills Village/Kirtland	17.05			23.00	1.00	71.20		1.50	113.75	68.888951	73.320724	24
25	Walke Hill Village/Kirtland	17.05			22.20	1.00	71.20		1.50	112.95	68.088951	72.520724	25
26	Walke Hill Village/Willoughby	17.05			22.20	3.30	58.39			100.94	75.129542	81.798626	26
27	Willoughby City	17.05			10.40	3.30	58.39			89.14	59.441556	67.135927	27
28	Willowick	17.05			19.75	3.30	58.39			98.49	70.769498	78.534056	28
29	Wickliffe City	17.05			10.40	2.90	90.41			120.76	62.170488	102.341074	29
30	Lakeline Village	17.05			8.00	3.30	58.39			86.74	58.892852	67.598626	30
31	Willoughby Hills City	17.05			7.30	3.30	58.39			86.04	59.243407	66.254889	31
33	Timberlake Village	17.05			21.20	3.30	58.39			99.94	63.824393	80.798626	33
34	Eastlake City	17.05			12.80	3.30	58.39			91.54	60.360961	70.691015	34
35	Painesville City/Pville Twp.	17.05			10.67	1.00	58.73	4.90	1.50	93.85	46.997006	60.759118	35
36	Willowick City/Kirtland	17.05			19.75	1.00	71.20		1.50	110.50	63.728907	69.256154	36
37	Eastlake City/Kirtland	17.05			12.80	1.00	71.20		1.50	103.55	53.320390	61.413113	37

Find your appropriate taxing district on the chart above. Multiply the assessed valuation (35% of the market value) by the effective rate for your taxing district and divide by 1,000 (effective rates are per \$1,000 of valuation). As an example, a Painesville City homeowner with an assessed valuation of \$52,500 (\$150,000 market value times 35%) would multiply the \$52,500 by the effective residential rate of 53.331854 for the City of Painesville and then divide by 1,000 which results in \$2,799.92 A Non-Business reduction in real estate taxes is provided by the State of Ohio for all residential/agricultural property in the State and an additional Owner Occupancy reduction is provided for owner-occupied residences. Therefore, in the example above, an additional 8.9762% (Non-Business) or \$251.33 and another 2.2440% (Owner Occupancy) or \$62.83 or a total of \$314.16, would be deducted from the \$2,799.92 amount, which equals a net tax of \$2,485.76 The Non-Business and Owner Occupancy factors will be on your tax bill and can fluctuate between taxing districts This amount would be for a full year of taxes. It is imperative to understand that with the State Budget that was passed that beginning with the November 2013 election no new, additional, or replacement levies will receive Non-Business or Owner Occupancy Reductions therefore you may no longer be receiving the full 10% and/or 2.5%.

The tax credit provisions do not apply to amounts realized from taxes levied at whatever rate required to produce a specified amount or an amount to pay debt service, or from taxes levied inside the ten-mill limitation or any applicable municipal charter tax rate limitation. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the tax levies subject to these tax credits. A resulting “effective tax rate” reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2024 tax collection year of 102.62 mills within the City of Mentor was reduced by reduction factors for residential/agricultural property and for all other real property, which results in “effective tax rates” of 43.018700 mills for residential and agricultural property and 63.665369 mills for all other real property. See **Tax Table A**.

The following are the rates at which the County levied property taxes in 2023 (for 2024 collection) for the general categories of purposes, outside the ten-mill limitation:

TAX TABLE B
County Tax Rates -- Voted

Purposes	Voted (Outside Ten-Mill Limit)	Total Levied Current Collection	Last Collection Year
County Metropolitan Park District	1.20	1.20	2031
County Metropolitan Park District	1.90	1.90	2025
Lakeland Community College	1.70	1.70	Continuing
Lakeland Community College	1.50	1.50	2032
Lakeland Community College	0.32	0.32	2042
Developmental Disabilities	3.40	3.40	Continuing
Developmental Disabilities	1.50	1.50	Continuing
ADAMHS	.90	.90	2036
ADAMHS	.70	.70	2028
Narcotics	.30	.30	Continuing
Child Welfare	.70	.70	2028
Child Welfare	.40	.40	2028
Forensic Lab	.30	.30	Continuing
Forensic Lab	.40	.40	Continuing
Senior Citizens Services	.80	.80	2027
Total	16.02	16.02	

In addition to the voted levies listed above, the County levied for 2025 collection within the ten-mill limitation, as unvoted levies, 1.0 mills for General Fund purposes and 0.1 mills for the County Metropolitan Park District.

See the discussion of the ten-mill limitation, and the priority of claim on that millage for debt service on unvoted general obligation debt, under **Indirect Debt and Unvoted Property Tax Limitations**. The County’s plans for those levies that expire within two years are to place them on the ballot for renewal.

Collections

The following are the amounts billed and collected for County ad valorem property taxes and special assessments for recent tax collection years. The figures shown include amounts for County property tax levies only, and do not include any county-wide property taxes levied on behalf of other political subdivisions or governmental entities, such as the Lakeland Community College and Lake Metroparks:

Real and Public Utility

Collection Year	Current Billed	Current Collected	Current% Collected	Current Delinquent	Accumulated Delinquent
2016	\$51,490,994	\$49,979,440	97.06	\$1,511,554	\$3,124,508
2017	51,919,251	50,595,723	97.45	1,323,529	2,564,674
2018	53,504,442	52,196,899	97.56	1,307,509	2,427,121
2019	58,938,894	57,456,015	97.48	1,282,816	2,512,198
2020	59,442,107	57,939,317	97.47	1,547,596	2,720,754
2021	59,794,824	58,576,595	97.96	N/A	N/A
2022	61,186,946	60,008,907	98.07	1,076,679	2,331,832
2023	61,708,689	60,734,110	98.42	873,044	2,130,397
2024	62,076,215	61,355,025	99.00	924,759	2,147,796

Special Assessments

2016	\$1,023,703	\$953,832	93.17	\$69,872	\$215,789
2017	975,784	914,595	93.73	22,311	275,844
2018	917,872	890,180	96.98	18,210	222,572
2019	1,158,430	956,972	82.61	54,972	270,672
2020	1,037,062	962,058	92.77	85,581	192,654
2021	942,548	779,149	82.66	34,944	321,109
2022	818,131	783,854	95.81	35,868	93,476
2023	602,048	565,188	93.88	37,468	102,677
2024	603,368	584,419	97.00	22,214	81,059

Source: County Auditor.

Real property taxes are payable in two installments, the first usually in January and the second in June. Tangible personal property taxes for taxpayers owning property in more than one county are payable in September, and for taxpayers owning property in one county are payable in two installments (April and September).

Current and delinquent taxes and special assessments are billed and collected by County officials for all taxing subdivisions in the County. Electric utility companies account for more than 5% of the billed and delinquent taxes.

Included in the “Billed,” “Collected” and “Collected” figures above are payments made from State revenue sources under two statewide real property tax relief programs (which do not apply to special assessments).

Delinquencies

Delinquencies do not have a material effect on the County's financial position.

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties. Real estate taxes and special assessments not paid in the due year are to be certified by the county auditor's office as delinquent. A list of delinquent properties is then published. If the delinquent taxes and special assessments are not paid within one year after such certification, the properties are then to be certified as delinquent to the county prosecuting attorney.

The property owner may arrange a payment plan with the county treasurer providing for payments over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years' delinquency. County auditors employ a notification procedure and judicial proceedings to collect delinquent tangible personal property taxes. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

As required by law, the County deposits 5% of all collections of certified delinquent taxes and assessments into the delinquent real estate tax and assessment collection fund. Moneys in that fund are divided equally between the County Treasurer and Prosecuting Attorney and are used solely in connection with the collection of delinquent taxes and assessments. In 2012 the Board of Commissioners approved an additional five percent to be used by the Lake County Land Reutilization Corporation.

OTHER MAJOR GENERAL FUND REVENUE SOURCES

Major sources of revenue to the General Fund, in addition to ad valorem taxes have included certain "permissive" taxes and State local government assistance distributions. The Appendices provide further information regarding other revenue sources for the General Fund and other funds.

Permissive Taxes

State law authorizes counties to levy, without a vote of the people, certain permissive taxes -- sales and use, real property transfer, motor vehicle license, and utilities service. They are subject to repeal by referendum if the resolution levying the tax is not enacted as an emergency measure, and to repeal by initiative if the resolution is adopted as an emergency measure. Any referendum or initiative is held only if requested by a petition signed by a specified percentage of voters and timely filed and in appropriate form. A board of county commissioners may at its option submit the question of levying these taxes to a vote of the electors and, if approved at an election, they are not thereafter subject to repeal by voter-initiated action.

The County currently has in effect a sales and use tax and a real property transfer tax, both of which provide revenues for the County's General Fund. The County also has in effect a motor vehicle license tax, the proceeds of which may be used only for construction, maintenance and repair of streets, highways and bridges, including debt service on obligations issued for the purpose. The County has not yet exercised its authority to levy a utility service tax.

County Sales and Use Tax

To provide general revenues, the County currently levies 1.0% sales and use tax .5% of which was imposed pursuant to emergency legislation enacted by the Board in 2012. .5% of the current sales and use tax is subject to repeal by referendum or initiative. The tax is collected by the State and distributed monthly to the County. Receipts from that tax for recent years have been and for 2025 are estimated to be:

Year	Receipts
2019	\$38,134,884
2020	39,722,987
2021	44,933,008
2022	47,302,213
2023	48,545,801
2024	48,942,556
2025(est.)	42,650,000

The County also currently imposes a voter-approved additional .25 percent sales tax for the purposes of providing funds for the County Laketran Public Transportation System. This tax was first approved in 1988. This additional .25 sales tax has been voted on by the Laketran Board to be temporarily suspended due to a surplus in COVID relief funds.

Under current law, the Board has authority to increase the County sales and use tax by an additional 0.5% (up to an aggregate maximum of 1.5%) to provide revenue for the general fund.

Unless imposed by an emergency measure, any increase in the rate would be subject to referendum by the electors. If imposed by emergency measure, the increase would be subject to repeal by voter initiative at a general election.

Real Property Transfer Tax

The County currently levies a 3-mill real property transfer tax, an unvoted tax that was enacted in 1990 by Board resolution. That tax is in addition to the 1-mill real property transfer fee imposed by State law. This tax is not subject to repeal or reduction, by referendum or initiative. Receipts for recent years have been and for 2025 are estimated to be:

Year	Receipts
2019	\$3,970,802
2020	4,445,028
2021	5,665,593
2022	5,072,885
2023	4,280,159
2024	5,168,635
2025(est.)	3,850,000

Local Government Assistance Funds

Statutory state-level local government assistance funds are comprised of designated State revenues which are distributed to each county and then allocated on a formula basis or, in some cases, on an agreed basis among the county and cities, villages and townships, and in some cases park districts, in the county. County receipts from those funds after distribution to the various subdivisions for recent years have been and for 2025 are estimated to be:

Year	Receipts
2019	\$1,147,018
2020	1,145,064
2021	1,293,684
2022	1,391,257
2023	1,424,612
2024	1,361,675
2025(est.)	1,200,000

The amounts of and formula for distribution of these funds may be revised.

[Balance of Page Intentionally Left Blank]

COUNTY DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt such as the Obligations, and applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the County.

As used in the discussions that follow, BANs refers to notes issued in anticipation of the issuance of general obligation bonds.

The Obligations are unvoted general obligations of the County, are exempt debt subject to neither of the direct debt limitations as discussed below, and are subject to the indirect debt and related property tax limitation, all as described below. Certain overlapping subdivisions also may issue voted and unvoted general obligation debt.

The County has issued a number of industrial development revenue bonds and hospital revenue bonds for facilities used by private corporations or other entities. The County is not obligated in any way to pay debt service on those bonds from any of its funds.

Those revenue bonds have been excluded entirely from the following debt discussion and tables. The County is not aware of and has not been notified of any condition of default under those bonds or the related financing documents.

The County is not, and to the knowledge of current County officials has not ever been in default in the payment of debt service on any of the bonds or notes on which the County is obligor. However, the County makes no representation as to the existence of a condition of default resulting from a default by any private entity under any financing documents relating to industrial development or hospital revenue bonds of which the County was the issuer.

Security for General Obligation Debt

The following describes the security for County general obligation debt, such as the unvoted Bonds.

Bonds and BANs

Unvoted Bonds. The basic security for unvoted County general obligation debt is the County's ability to levy, and its levy pursuant to constitutional and statutory requirements of, an ad valorem tax on all real and tangible personal property subject to ad valorem taxation by the County, within the ten-mill limitation described below. This tax must be in sufficient amount to pay (to the extent not paid from other sources) as it comes due the debt service on unvoted County general obligation bonds both outstanding and in anticipation of which BANs are outstanding. The law provides that the levy necessary for debt service has priority over any levy for other purposes within that tax limitation; that priority may be subject to the provisions of bankruptcy laws and other laws affecting creditors' rights and to the exercise of judicial discretion. See the discussion below, under **Indirect Debt and Unvoted Property Tax Limitations**, of the ten-mill limitation, and the priority of claim on it for debt service on unvoted general obligation debt of the County and all overlapping taxing subdivisions.

Voted Bonds. The basic security for voted County general obligation debt is the authorization by the electors for the County to levy to pay debt service on those voted bonds, without limitation as to rate or amount, ad valorem taxes on all real and tangible personal property

subject to ad valorem taxation by the County. The tax is outside of the ten-mill limitation, and is to be in sufficient amount to pay (to the extent not paid from other sources) as it comes due the debt service on the voted bonds (subject to the provisions of bankruptcy laws and other laws affecting creditors' rights and to the exercise of judicial discretion).

BANs. While BANs are outstanding, Ohio law requires the levy of an ad valorem property tax in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANS. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months (20 years) from the date of issuance of the original notes (the maximum maturity for special assessment BANS is five years). Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

Statutory Direct Debt Limitations

The Revised Code provides that the net principal amount of unvoted general obligation debt of the County, excluding "exempt debt" (discussed below), may not exceed 1 % of the total value of all property in the County as listed and assessed for taxation and that the County's unvoted general obligation debt for its share of the costs of State highway improvements may not exceed one-half percent of that valuation. The principal amount of both voted and unvoted general obligation debt of a county, excluding "exempt debt," may not exceed a sum equal to 3% of the first \$100,000,000 of tax valuation plus 1-1/2% of the next \$200,000,000 of tax valuation plus 2-1/2% of the tax valuation in excess of \$300,000,000. (The County's tax valuation for 2024 is \$7,478,577,730). These two limitations, which are referred to as the "direct debt limitations," may be amended from time to time by the General Assembly.

A county's ability to incur unvoted debt (whether or not exempt from the direct debt limitations) also is restricted by the indirect debt limitation discussed below under **Indirect Debt and Unvoted Property Tax Limitations**.

Certain debt including the Obligations the County may issue is exempt from the direct debt limitations ("exempt debt"). Exempt debt includes, among others:

- Revenue debt.
- General obligation debt.
- For county, multicounty or multicounty-municipal jail, workhouse, juvenile detention or correctional facilities or county or joint county solid or hazardous waste collection, transfer or disposal facilities or resource recovery or recycling facilities.
- That is "self-supporting" (that is, nontax revenues from the category of facilities are sufficient to pay operating and maintenance expenses and related debt service and other requirements) issued for county utility systems or facilities, parking facilities, health care facilities, recreation, sports, convention, museum and other public attraction facilities, facilities for natural resource exploration, development, recovery, use or sale, correctional and other related rehabilitation facilities.

- For buildings to house county or municipal agencies, departments, boards and commissions, to the extent that revenues (other than revenues from unvoted county property taxes) derived from leases between the county and such agencies, departments, boards, commissions or municipal corporations are sufficient to cover all operating expenses paid by the county and debt service.
- For highway improvements if the county has covenanted to pay debt service and financing costs from motor vehicle fuel and license taxes.
- Issued in anticipation of the levy or collection of special assessments.
- Issued for certain permanent improvements if the county has covenanted to pay debt service from certain dedicated sales tax revenues.
- For water or sanitary or storm water sewerage facilities to the extent that another subdivision has agreed to pay to the county amounts equal to debt service.
- Voted for water or sanitary sewerage facilities to the extent that the outstanding voted debt for that purpose does not exceed 2% of the county's tax valuation.
- To pay final judgments or court-approved settlements, or to fund joint self-insurance pools.
- Debt issued in anticipation of the receipt of federal or State grants for permanent improvements, or to evidence loans from the State capital improvements fund or State infrastructure bank.
- Delinquent tax bonds.
- Notes issued in anticipation of the collection of current revenues or in anticipation of the proceeds of a specific tax levy.
- Notes issued to acquire voting machines and vote tabulation equipment, or for certain emergency purposes, or for certain energy conservation improvements.
- Debt issued for a port authority or municipal educational and cultural facility.
- Notes issued in anticipation of exempt bonds.

The County may incur debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority.

In the calculation of debt subject to the direct debt limitations, the amount of money in a county's bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of money in the County's Bond Retirement Fund, and based on outstanding debt and the Obligations, and current tax valuation, the County's voted and unvoted nonexempt borrowing capacities are:

Limitations	Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitations
3%, 1-1/2%, 2-1/2% = \$233,421,147	\$1,858,000	\$231,563,147
1% = \$93,968,459	\$1,858,000	\$92,110,459

This is further detailed in Appendix A - Debt Table I.

Indirect Debt and Unvoted Property Tax Limitations

Voted general obligation debt may be issued by the County if authorized by a vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt service on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds. Voted obligations may also be issued by certain subdivisions in the County.

General obligation debt such as the Obligations also may be issued by the County (and by certain political subdivisions it overlaps) without a vote of the electors. This unvoted debt may not be issued unless the ad valorem property tax for the payment of the debt service on (a) those bonds (or the bonds in anticipation of which BANs are issued), and (b) all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the County resulting in the highest tax required for such debt service, in any year is 10 mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of what is commonly referred to as the “ten-mill limitation,” is imposed by a combination of the provisions of the Ohio Constitution and the Revised Code.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. This 10 mills is allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the County. 8.9 mills is currently being levied by the combination of the County and taxing subdivisions it overlaps. The current allocation of the 10 mills (sometimes referred to as the “inside millage”) in the City of Mentor, the largest municipality in the County without a charter tax limitation, is as follows: 2.2 mills for the County, 3.0 mills for the City of Mentor and 4.8 mills for the area of the City within the Mentor Exempted Village School District; that allocation has remained constant for at least the last five years.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt service on its unvoted general obligation debt unless provision has been made for that payment from other source’s, with the balance usable for other purposes. To the extent this inside millage is required for debt service of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Since the inside millage that may actually be required to pay debt service on a subdivision’s unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. However, a law applicable to all Ohio cities and villages requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt service on their unvoted debt before the formula allocations of the inside millage to overlapping subdivisions, including counties, can be invaded for that purpose.

In the case of BANs, the highest annual debt service estimated for the anticipated bonds is used to calculate the millage required.

Revenue bonds are not included in debt subject to the ten-mill limitation since they are not general obligations of the County, and the full faith and credit and property taxing power of the County is not pledged for their payment.

The indirect debt limitation applies to all unvoted general obligation debt even if debt service on some of it is expected to be paid in fact from special assessments, utility earnings or other sources.

The highest debt service requirement in any year for all County debt subject to the ten-mill limitation is estimated to be \$8,238,962. That debt includes the Obligations and, unvoted general obligation bonds outstanding or anticipated by BANs outstanding. The payment of that annual debt service would require a levy of an estimated 0.8768 mills based on current assessed valuation. Of this maximum annual debt service requirement, \$8,142,791 is expected by the County to be paid from sources other than ad valorem taxes, such as special assessments, vehicle license taxes, sales taxes and utility revenues. If those other sources for any reason were not available, the debt service could be met from the amounts produced by the millage within the County's current allocation within the ten-mill limitation.

In calculating whether unvoted debt proposed to be issued by the County is within the ten-mill limitation, it is necessary to determine which combination of overlapping political subdivisions (including the County) have the highest outstanding debt service requirements within the ten-mill limitation. There are in the County nine cities, nine villages, five townships, and all or portions of ten school districts. Thus, to determine the highest overlapping debt service requirements for unvoted debt, it is necessary to examine the requirements for combinations of those subdivisions that overlap, including municipal corporations, townships and school districts.

The total millage theoretically required for outstanding unvoted general obligation bonds (including the Obligations, unvoted general obligation bonds outstanding or bonds anticipated by BANs) is approximately 4.13175 mills for 2026, the year of highest potential overlapping debt service requirements. There thus remains approximately 5.86825 mills within the ten-mill limitation which has yet to be allocated to debt service.

The ten-mill limitation is such that a relatively small issue by a taxing subdivision with a small tax duplicate can encumber a significant amount of millage, thereby greatly reducing the amount of unvoted general obligation debt that the County, as an overlapping subdivision, could issue.

Debt Outstanding

The Debt Tables attached list the County's debt represented by bonds and notes, information with respect to County and overlapping general obligation debt allocations, and debt service.

Bond Anticipation Notes

Prior to the issuance of the Obligations, \$63,369,000 of the debt of the County is in the form of BANs.

Upon the issuance of the Obligations, \$35,350,000 of the debt of the County will be in the form of BANs. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the County, or a combination of these sources.

Bond Retirement Fund

The Bond Retirement Fund is the fund from which the County pays debt service on its general obligation debt, and into which moneys required to be applied to those payments are deposited. The following table is an unaudited summary of Bond Retirement Fund receipts and disbursements for recent years and budgeted for 2025:

Year	Jan. Balance	Receipts	Disbursements
2018	\$1,475,606	\$2,196,288	\$2,237,244
2019	1,434,650	2,251,877	2,222,345
2020	1,464,182	2,271,578	2,222,723
2021	1,513,037	3,343,755	3,316,778
2022	1,540,014	3,104,000	1,643,481
2023	533	1,392,406	1,392,939
2024	0	2,577,190	1,386,939
2025(est.)	1,190,251	199,438	1,386,639

Future Financings

As set forth above, the County has issued BANs to finance various utility and road projects. In addition to issuing general obligation bonds or BANs during the next 12 months to retire those BANS, the County also plans to issue additional unvoted general obligation debt for various utility infrastructure projects. All of the debt will be unvoted debt with debt issued for utility projects being payable primarily from special assessments and utility revenues and road projects being payable primarily from motor vehicle license taxes.

Long-Term Financial-Obligations Other Than Bonds and Notes

The County has outstanding loan agreements with the Ohio Water Development Authority (OWDA) pursuant to which OWDA has provided funds to the County to pay certain costs of constructing improvements to its Wastewater and Waterworks Systems. The principal amount of the County's loan obligation under the loan agreements was \$10,467,699.09 as of December 31, 2024, with interest rate of up to 3.24%, requiring an annual payment of \$850,534.22 in 2024. The final payment on these loans is due in 2041.

These payments are required to be made from County Wastewater and Waterworks Systems revenues after payment of operation and maintenance expenses of each system. They have been made from the collection of special assessments, revenues and tap-in charges. The loan agreements grant no security or property interest to OWDA in any property of the County, and do not pledge the general credit of the County or create a debt subject to the direct or indirect debt limitations, or require the application of the general resources of the County for repayment.

Other material long-term financial obligations of the County include (i) compensated absence liability which is paid from the fund that the employees' salaries are paid and amounted to \$2,533,448.87 as of December 31, 2024; and landfill closure and post closure, which amounted to \$19,562,498.11 as of December 31, 2024.

The County has no other material long-term financial obligations, other than the bonds and notes described above.

Pension Obligations

Present and retired employees of the County, other than the teachers for the Board of Developmental Disabilities, are covered under a statewide public retirement (including disability retirement) system, the Public Employees Retirement System (PERS).

For 2024, employees covered by PERS contribute at a statutory rate of 10.0% of earnable salary or compensation, and the County contributed 14.0% (actuarially established for PERS) of the same base, except for uniformed employees of the Sheriff's Department for whom the County contributed at a rate of 18.10% (actuarially established for PERS) of the same base and law enforcement employees contribute 13.00%.

Teachers for the Board of Developmental Disabilities are covered by a statewide public retirement (including disability retirement) system. The State Teachers Retirement System (STRS) covers all teachers, principals, supervisors and administrators who are required to hold a certificate issued by the State Department of Education.

Employees covered by STRS contribute at a rate of 14.0% of earned compensation, and the County contributed 14% (the current statutory maximum) of the same base.

Federal law requires County employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, County employees who are covered by PERS are not currently covered under the federal Social Security Act.

The County's current employer contributions to PERS and STRS have been treated as current expenses and included in the County's operating expenditures.

PERS and STRS are not now subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

Both PERS and STRS are created by and operate pursuant to Ohio law. The General Assembly could determine to amend the format of the pension funds and could revise rates or methods of contributions to be made by the County into the funds and revise benefits.

INVESTMENT CONSIDERATIONS

Considerations Regarding Real Property Tax Reform

From time to time, (i) legislative proposals may be introduced in the General Assembly, (ii) ballot initiatives may be proposed by electors and (iii) court proceedings may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax

matters referred to herein, which may have a materially adverse effect on the market value of the Bonds.

For example, a ballot initiative to amend the Ohio Constitution to abolish property taxes, the title and summary of which were certified by the Ohio Attorney General on May 9, 2025, and the Ohio Ballot Board on May 14, 2025, is currently being circulated for signatures to place it on the November 2026 ballot. In order to appear on the ballot, the petitioners must collect signatures from registered voters equal to at least 10% of the vote cast in the most recent gubernatorial election. Those signatures must come from voters in at least 44 of Ohio's 88 counties, and for each of those counties the number must equal at least 5% of the vote cast in the most recent gubernatorial election. If sufficient signatures are verified by the Ohio Secretary of State's Office at least 65 days before the election, the full text of the proposed amendment would be placed on the ballot at the next regular or general election that occurs subsequent to 125 days after the filing of such petition.

In addition, on July 10, 2025, Governor DeWine announced the formation of the Property Tax Reform Working Group (the "Working Group"). The purpose of the Working Group, accordingly to the State's news release, is to "issue concrete recommendations for meaningful property tax reforms that address the needs of property owners, are affordable to our state budget, and protect schools and other services." Governor DeWine has asked the Working Group to issue a report of proposals by September 30, 2025.

There can be no assurance that legislation enacted, ballot initiatives approved, or actions by a court, after the date of issuance of the Bonds, will not have a materially adverse effect on the market value or marketability of the Bonds or financial condition of the County. Prospective purchasers of the Bonds should consult their own counsel regarding pending or proposed State property tax legislation, related ballot initiatives and court proceedings, as to all of which the County, Bond Counsel, the Underwriter and Underwriter's counsel express no opinion.

No Assurance of Secondary Market for the Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Accordingly, purchasers of the Bonds should be prepared to have their funds committed until the Bonds mature. Prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different than the original purchase price. Moreover, while the Underwriter expects to reoffer the Bonds in the secondary market, the Underwriter is not specifically required to do so.

LITIGATION

To the knowledge of the appropriate County officials, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Obligations, or the levy and collection of taxes to pay the debt service on the Obligations, or contesting or questioning the proceedings and authority under which the Obligations have been authorized and are to be issued, sold, signed or delivered, or the validity of the Obligations. The County will deliver to the Underwriter certificates to that effect at the time of original delivery of the Obligations to the Underwriter.

The County is a party to various legal proceedings seeking damages or injunctive or other relief and generally incidental to its operations. These proceedings are unrelated to the Obligations or the security for the Obligations. The ultimate disposition of these proceedings is not now determinable, but will not, in the opinion of the County Prosecutor, have a material adverse effect on the Obligations, the security for the Obligations, or the permanent improvements being financed or the County's operating revenues.

Under current Ohio law, County moneys, accounts and investments are not subject to attachment to satisfy tort judgments in State courts against the County.

LEGAL MATTERS

Legal matters incident to the issuance of the Obligations and with regard to the tax status of the Obligations (see **Tax Matters**) are subject to the legal opinions of McDonald Hopkins LLC, whose legal services as Bond Counsel have been retained by the County. The legal opinion, dated and premised on law in effect as of the date of original delivery of the Obligations, will be delivered to the Underwriter at the time of original delivery.

The proposed text of the legal opinions is set forth as **Exhibit A**. The legal opinions to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in an opinion subsequent to its date.

While Bond Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and will express no opinion as to, the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the County or the Obligations that may be prepared or made available by the County, the Underwriter or others to the holders of the Obligations or others.

In addition to rendering the legal opinion, Bond Counsel will assist in the preparation of and advise the County concerning documents for the transcript of proceedings for the Obligations.

Certain legal matters will be passed upon for the Underwriter by its counsel, Roetzel & Andress, LPA.

TAX MATTERS

In the opinion of McDonald Hopkins LLC, Bond Counsel, under existing law (i) the interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the Code), and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals, and (ii) the interest on the Bonds and Notes, and any profit made on their sale, exchange, or other disposition, are exempt from the Ohio personal income tax, the net income base of the Ohio corporate franchise tax, and municipal and school district income taxes in Ohio.

An opinion to those effects will be included in the legal opinion of Bond Counsel. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds or Notes.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications and compliance with certain covenants of the County to be contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Bonds and Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the certifications and representations made by the County.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which, including provisions for potential payments by the issuer to the federal government, require future or continued compliance after issuance in order for the interest to be and continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Bonds or Notes to be included in gross income for federal income tax purposes and thus to be subject to federal income tax retroactively to the date of their issuance. The County will covenant to take actions required of it for the interest on the Bonds and Notes to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

Under the Code, interest on the Bonds or Notes may be subject to the branch profits tax imposed on certain foreign corporations doing business in the United States and to the tax imposed on the excess net passive income of certain S corporations.

Under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income, deductions or credits for certain taxpayers, including among them financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of income and expense of the owner of the Bonds or Notes or of book entry interests therein. Bond Counsel expresses no opinion regarding those consequences.

From time to time, there are legislative proposals in Congress which, if enacted, could alter or amend the federal tax matters referred to or adversely affect the market value of the Bonds. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds and Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, any such proposal would apply to obligations (such as the Bonds or Notes) issued prior to enactment.

The discussion of tax matters in this Official Statement applies only in the case of purchasers of Bonds and Notes at their original issuance and at the respective prices indicated on the cover. It does not address any other tax consequences, such as, among others, the consequence of the existence of any market discount to subsequent purchasers of the Bonds or Notes.

Original Issue Discount/Original Issue Premium on the Bonds

Certain of the Bonds (Discount Bonds) as indicated on the inside cover of this Official Statement were offered and sold to the public at an original issue discount (OID).

OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of such Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity are sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner’s gross income for federal income tax purposes to the same extent and subject to the same considerations discussed above as to other interest on the Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond at its issue price in the initial public offering who holds that Bond to maturity will realize no gain or loss upon the retirement of that Bond.

Certain of the Bonds (Premium Bonds) as indicated on the inside cover of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield must be determined on the basis of the earliest call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes upon the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by that owner for that Bond. A purchaser of a Premium Bond at its issue price in the initial offering who holds that Bond to maturity (or, in the case of a callable Premium Bond, its earlier call date that results in the lowest yield on that Bond) will realize no gain or loss upon the retirement of that Bond.

Owners of Discount or Premium Bonds (or book entry interests in them) should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for state and local tax purposes.

ELIGIBILITY FOR INVESTMENT AND AS PUBLIC MONEYS SECURITY

To the extent that the matter as to the particular investor is governed by Ohio law, and subject to any applicable limitations under other provisions of Ohio law, the Obligations are lawful investments for banks, savings and loan associations, credit union guaranty corporations, trust companies, trustees, fiduciaries, insurance companies, including domestic life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other funds of the State, and subdivisions and taxing districts of the State, the Commissioners of the Sinking Fund, the Administrator of Workers' Compensation, and State retirement systems (Teachers, Public Employees, Public School Employees, and Police and Firemen's), notwithstanding any other provisions of the Revised Code or rules adopted pursuant to those provisions by any State agency with respect to investments by them.

The Obligations are acceptable under Ohio law as security for the repayment of the deposit of public moneys.

Owners of book entry interests in the Obligations should make their own determination as to such matters as legality of investment in the book entry interests or whether those book entry interests may be pledged as security.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings and a certificate (described under **Litigation**) relating to litigation will be delivered by the County when the Bonds and Notes are delivered by the County to the Underwriter. The County at that time will also provide to the Underwriter a certificate, signed by the County officials who sign this Official Statement and addressed to the Underwriter, relating to the accuracy and completeness of this Official Statement and to its being a "final official statement" in the judgment of the County for purposes of SEC Rule 15c2-12.

CONTINUING DISCLOSURE AGREEMENT

The County will agree at the time of delivery of the Bonds, for the benefit of the holders and beneficial owners from time to time of the Bonds, in accordance with, and as the only obligated person with respect to the Bonds under, SEC Rule 15c2-12 (the Rule), to provide or cause to be provided such financial information and operating data (Annual Information), audited financial statements and notices, in such manner, as may be required for purposes of paragraph (b)(5)(i) of the Rule (the Continuing Disclosure Agreement). See **Appendix D** for the proposed form of the Continuing Disclosure Agreement. The foregoing information, data and notices can be obtained from the County Administrator, County of Lake, Ohio (telephone (440)350-2745; email Jason.Boyd@lakecountyohio.gov).

The performance by the County of the Continuing Disclosure Agreement will be subject to the County's annual appropriation of any funds that may be necessary to perform it.

The Continuing Disclosure Agreement will remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the County remains an obligated person with respect to the Bonds within the meaning of the Rule. The obligation of the County to provide

the Annual Information and notices of the events described above will terminate, if and when the County no longer remains such an obligated person.

In the last five years, the County has complied, in all material respects, with the previous continuing disclosure agreements made by the County for purposes of the Rule, except for: (i) failure to timely file the 2018, 2019, 2020 and 2023 audited financial statements of the County, (ii) failure to associate the County's Annual Informational Filing for Fiscal Years 2018 and 2019 with certain CUSIPs of general obligation bonds issued by the County in 2012 and 2013, (iii) failure to include in the County's Annual Information Filing for Fiscal Years 2018, 2019, 2020, 2021 and 2022 updates to the largest taxpayers by assessed valuation and largest public utility taxpayers by assessed valuation under the heading **AD VALOREM TAXES** and (iv) failure to include in the County's Annual Information Filing for Fiscal Years 2018, 2019, 2020, 2021 and 2022 updates to the County's Consolidated Cash Basis Summary (Unaudited) of Funds for such Fiscal Years.

The County has taken corrective action with respect to those items and has posted appropriate notices on noncompliance to the MSRB's EMMA system. In addition, the County has revised its internal policy with respect to its continuing disclosure compliance, including engaging outside legal counsel to assist the County with compliance with the County's continuing disclosure agreements.

UNDERWRITING

The Bonds are being purchased by Stifel Nicolaus & Company, Incorporated (the Underwriter), who has agreed to purchase the Bonds at a price of \$_____ which represents the par amount (\$_____), plus the original issue premium (\$_____) and less underwriter's fees and expenses and certain costs of issuance (\$_____). The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing into investment trusts) and others at prices lower than the public offering prices. The purchase of the Bonds by the Underwriter is subject to certain conditions and requires that the Underwriter will purchase all of the Bonds, if any are purchased. The public offering prices may be changed after the initial offering by the Underwriter.

The Notes are being purchased by Stifel Nicolaus & Company, Incorporated (the Underwriter), who has agreed to purchase the Notes at a price of \$_____ which represents the par amount (\$_____), plus the original issue premium (\$_____) and less underwriter's fees and expenses and certain costs of issuance (\$_____). The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing into investment trusts) and others at prices lower than the public offering prices. The purchase of the Notes by the Underwriter is subject to certain conditions and requires that the Underwriter will purchase all of the Notes, if any are purchased. The public offering prices may be changed after the initial offering by the Underwriter.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the County and to persons and entities

with relationships with the County, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the County (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the County.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the County.

RATING

Moody's Investor Services, Inc. has assigned its municipal bond rating of "Aa1" to the Bonds and "MIG-1" to the Notes.

The ratings reflect only the views of the rating organization, and any explanation of the meaning or significance of the rating may be obtained only from the rating service. The County furnished to the rating service certain information and materials, some of which may not have been included in this Official Statement, relating to the Obligations and the County. Generally, rating services base their ratings on such information and materials and on their own investigation, studies and assumptions. There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating service if in its judgment circumstances warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market price of the Obligations.

The County expects to furnish the rating service with information and materials that it may request. However, the County assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on the Obligations.

REGISTRAR

U.S. Bank Trust Company, National Association, Columbus, Ohio will act as Bond Registrar, transfer agent, paying agent and authenticating agent for the Bonds (the Bond Registrar) and as Note Registrar, transfer agent, paying agent and authenticating agent for the Notes (the Note Registrar, and together with its capacity as Bond Registrar, herein collectively referred to as, the Registrar). The Registrar will keep all books and records necessary for registration, exchange and transfer of the Bonds and Notes, in accordance with the terms of the agreements between it and the County.

The Registrar has branch offices throughout the State, and regularly acts as note and bond registrar for note and bond issues of local governments in Ohio.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of those statements have been or will be realized. Information in this Official Statement with respect to the County has been derived by the County from official and other sources and is believed by the County to be accurate and reliable. Information other than that obtained from official records of the County, including information provided by the Underwriter and by and with respect to DTC, has not been independently confirmed or verified by the County and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as or as part of a contract with the original purchasers or subsequent owners of the Obligations or book entry interests in those Obligations.

This Official Statement has been prepared and delivered by the County and executed for and on behalf of the County by its official identified below.

COUNTY OF LAKE, OHIO

By: /s/ Jason W. Boyd
Name: Jason W. Boyd
Title: County Administrator

COUNTY OF LAKE, OHIO

APPENDIX A - DEBT TABLE I

**Principal Amounts of Outstanding Debt;
Leeway for Additional Debt Within Direct Debt Limitations**

A.	Total debt:	\$107,453,000
B.	Exempt debt:	
	Category	Outstanding Principal Amount
	Special Assessment	\$5,245,000
	Waterworks System	\$1,000,000
	Sewer System	\$2,350,000
	Road Improvement	\$7,000,000
	Correctional Facility	\$90,000,000
	Total exempt debt:	\$105,595,000
C.	Total nonexempt debt [A minus B]:	\$1,858,000
D.	1% of assessed valuation (unvoted nonexempt debt limitation:	\$93,968,459
E.	Total nonexempt limited tax bonds and notes outstanding:	\$1,858,000
F.	Debt leeway within 1% unvoted debt limitation (but subject to indirect debt limitation) [D minus E]:	*\$92,110,459
G.	3% of [1st \$100,000,000 of assessed valuation, 1-1/2% of next \$200,000,000, and 2-1/2% of amount in excess of \$300,000,000] (voted and unvoted nonexempt debt limitation):	\$233,421,147
H.	Total nonexempt bonds and notes outstanding:	\$1,858,000
I.	Debt leeway within 3%[1-1/2%/2-1/2%] debt limitation [G minus H]:	*\$231,563,147

*Debt leeway in this table determined without considering moneys in the Bond Retirement Fund.

APPENDIX A - DEBT TABLE II

Various County and Overlapping GO Debt Allocations (Principal Amounts)

Political Subdivision	Outstanding Indebtedness	Percentage Allocable to County(b)	Portion of Debt borne by Properties within the County
The County(a)	\$107,453,000	100.00%	\$107,453,000
All townships within County	\$7,005,000	100.00	\$7,005,000
All cities wholly within County	\$71,217,539	100.00	\$71,217,539
All villages wholly within County	\$2,339,900	100.00	\$2,339,900
All city school districts (S.D.) wholly within County	\$105,839,490	100.00	\$105,839,490
Kirtland Local S.D.	7,860,000	99.26	7,801,836
Fairport Harbor XV S.D.	4,915,000	100.00	4,915,000
Chardon Local S.D.	2,320,000	0.23	5,336
Madison Local S.D.	19,921,853	99.67	19,856,111
Painesville City/L S.D.	11,584,986	100.00	11,584,986
Auburn Career Center JVSD	1,650,000	54.40	897,600
Riverside Local S.D.	35,815,449	99.63	35,682,932
Lake County C.C.	29,435,000	100.00	29,435,000

Source: Ohio Municipal Advisory Council. Debt figures for overlapping political subdivisions as of September 26, 2025.

- (a) Bonds and notes which, as noted in **Debt Table I**, are exempt from statutory debt limitations are nevertheless included in this table as outstanding general obligation debt. Includes the Bonds but excludes the outstanding BANs to be refunded by the Bonds.
- (b) Determined, on a percentage basis, by dividing the amount of the assessed valuation of that territory of the political subdivision which is within the boundaries of the County by the total assessed valuation of the political subdivision.

	Amount	Per Capita ^(a)	% of County's Current Assessed Valuation
County Debt	107,453,000	\$461.96	1.1435
Other Debt Borne by Properties within County	296,580,730	\$1,275.05	3.1562
Total Debt Borne by Properties within County	404,033,730	\$1,737.01	4.2996

^(a) Based on 2020 population of 232,603

APPENDIX A - DEBT TABLE III

Outstanding GO Bond Anticipation Notes

\$7,750,000 Road Improvement Notes, Series 2025, dated December 18, 2024, matures September 17, 2025*.

\$2,269,000 Kirtland Old Town Sanitary Sewer Improvement Notes, Series 2025, dated February 12, 2025, matures November 6, 2025*.

\$50,000,000 Correctional Facilities Improvement Notes, Series 2024, dated September 24, 2024, matures September 24, 2025.*

\$3,350,000 Various Purpose Utilities Improvement Notes, Series 2025, dated June 25, 2025, matures June 24, 2026.

*Will be retired with the proceeds of the Notes and Bonds and other monies available to the County appropriated for that purpose.

Noted above. These BANs, or the bonds they anticipate, to the extent they are not to be retired by the proceeds of the Obligations, are reflected in **Appendix A - Debt Tables I, II and IV**.

The ability of the County to retire BANs from the proceeds of the sale of either bonds or renewal BANs will be dependent upon the marketability of those obligations under market conditions prevailing at the time of that sale. Under present laws applicable to the County, there is no statutory maximum interest rate applicable to those bonds or renewal BANs.

APPENDIX A - DEBT TABLE IV

Projected Debt Service Requirements on County GO Debt

Year	Obligations(a)	Outstanding Bonds	Bonds Anticipated by Outstanding BANs(b)	Total	Portion of Total Anticipated to be Paid From	Portion of Total Anticipated to be Paid From	Portion of Total Anticipated to be Paid From	Portion of Total Anticipate to be Paid From
					Ad Valorem Taxes Limited(c)	Special Assessments (d)	Water Utility Revenues	Sewer Utility Revenues
2025	0	\$6,248,873	0	\$6,248,873	\$5,705,017	\$543,856	0	0
2026	\$2,946,104	\$5,000,789	\$292,069	\$8,238,962	\$7,413,275	\$533,618	\$87,621	\$204,448
2027	\$2,946,104	\$4,998,980	\$292,069	\$8,237,153	\$7,414,873	\$530,211	\$87,621	\$204,448
2028	\$2,946,104	\$5,002,442	\$292,069	\$8,240,615	\$7,412,622	\$535,924	\$87,621	\$204,448
2029	\$2,946,104	\$4,857,810	\$292,069	\$8,095,980	\$7,413,218	\$390,693	\$87,621	\$204,448
2030	\$2,946,104	\$4,811,556	\$292,069	\$8,049,729	\$7,410,236	\$347,424	\$87,621	\$204,448
2031	\$2,946,104	\$4,813,939	\$292,069	\$8,052,112	\$7,414,569	\$345,474	\$87,621	\$204,448
2032	\$2,946,104	\$4,816,365	\$292,069	\$8,054,538	\$7,413,820	\$348,649	\$87,621	\$204,448
2033	\$2,946,104	\$4,715,674	\$292,069	\$7,953,847	\$7,315,304	\$346,474	\$87,621	\$204,448
2034	\$2,946,104	\$4,713,159	\$292,069	\$7,951,332	\$7,317,554	\$341,709	\$87,621	\$204,448
2035	\$2,946,104	\$4,714,387	\$292,069	\$7,952,560	\$7,315,554	\$344,937	\$87,621	\$204,448
2036	\$2,946,104	\$4,715,262	\$292,069	\$7,953,435	\$7,319,304	\$342,062	\$87,621	\$204,448
2037	\$2,946,104	\$4,716,212	\$292,069	\$7,954,385	\$7,318,304	\$344,012	\$87,621	\$204,448
2038	\$2,946,104	\$4,716,762	\$292,069	\$7,954,935	\$7,317,854	\$345,012	\$87,621	\$204,448
2039	\$2,946,104	\$4,711,949	\$292,069	\$7,950,122	\$7,316,804	\$341,249	\$87,621	\$204,448
2040	\$2,946,104	\$4,711,387	\$292,069	\$7,949,560	\$7,315,794	\$341,697	\$87,621	\$204,448
2041	\$2,225,364	\$4,714,949	\$292,069	\$7,232,382	\$6,598,864	\$341,449	\$87,621	\$204,448
2042	\$2,225,364	\$4,712,137	\$292,069	\$7,229,570	\$6,596,064	\$341,437	\$87,621	\$204,448
2043	\$2,225,364	\$4,417,950	\$292,069	\$6,935,383	\$6,597,564	\$ 45,750	\$87,621	\$204,448
2044	\$2,225,364	\$4,417,950	\$292,069	\$6,935,383	\$6,597,564	\$ 45,750	\$87,621	\$204,448
2045	\$2,225,364	\$4,416,200	\$292,069	\$6,933,633	\$6,595,814	\$ 45,750	\$87,621	\$204,448

(a) Includes the Bonds and assuming the Notes are retired with bonds having first interest payment and first principal payments, being paid serially and the number of years and at the estimated interest rates referred to in the resolution authorizing the Notes.

(b) Assuming all BANs are retired with bonds having first interest payment and first principal payments, being paid serially and the number of years and at the estimated interest rates referred to in the resolutions authorizing the BANs. See also **Debt Table III**.

(c) Includes estimated payment terms for the Notes to be issued for the Road Project, all of the debt service of which is anticipated to be paid from motor vehicle license taxes.

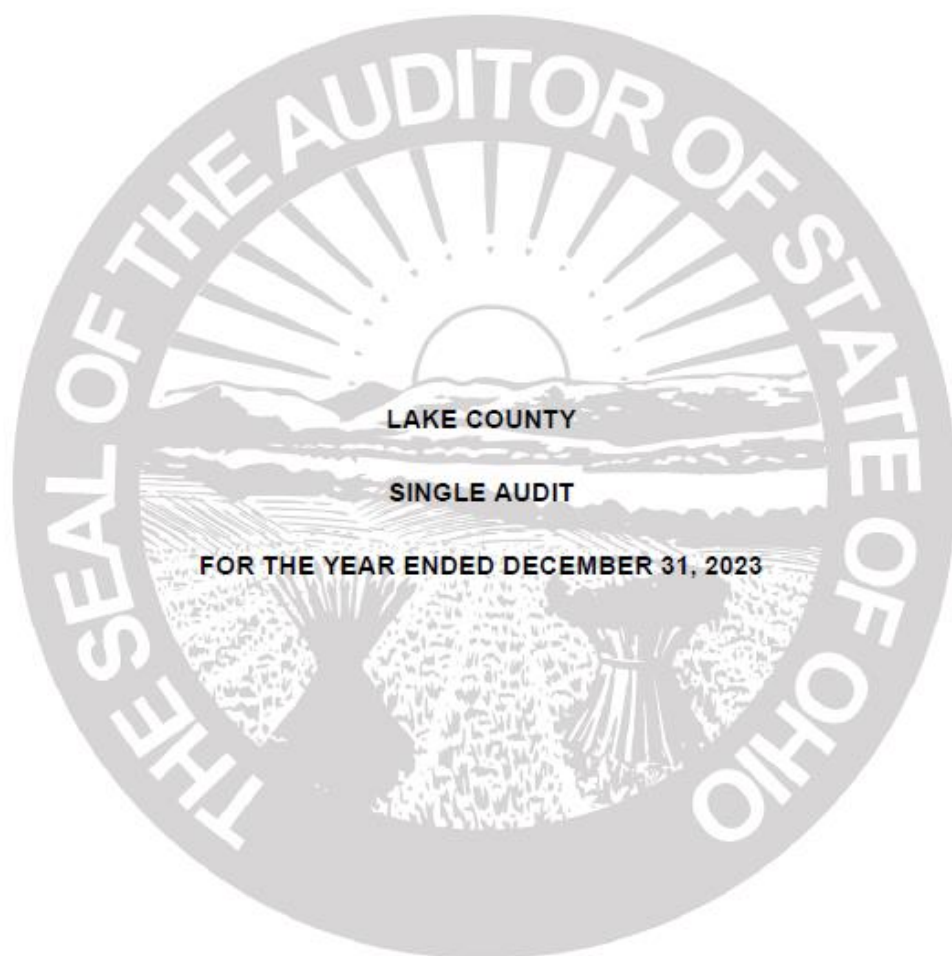
(d) Includes debt service on that portion of outstanding bonds which are anticipated to be paid from tap-in fees or utility revenues.

APPENDIX B

Comparative Cash Basis Summary (Unaudited) of General Fund Receipts and Expenditures 2020 through 2024 and Budgeted 2025

REVENUES:	2020	2021	2022	2023	2024	Budgeted 2025
Property taxes	5,653,620	5,710,027	6,560,857	6,586,387	6,668,575	8,000,000
Sales tax	40,006,311	44,933,008	47,302,213	48,545,801	48,942,556	42,650,000
Other taxes	4,448,108	5,668,384	5,077,885	4,283,722	5,172,953	3,851,500
Fee and charges for services	8,260,865	6,643,548	5,829,103	5,930,778	6,214,487	5,943,659
Licenses and permits	1,312,325	1,500,963	1,384,413	1,361,812	1,441,349	1,235,000
Fines and forfeitures	1,686,292	162,219	163,783	188,857	152,106	162,000
Intergovernmental	6,312,426	7,483,435	8,926,385	8,409,425	9,026,024	8,162,600
Investment earnings	5,126,757	1,526,400	3,752,625	14,751,255	17,375,615	5,000,000
Miscellaneous	2,950,380	3,122,031	3,743,940	3,582,328	3,999,952	3,133,120
TOTAL	\$75,757,084	\$76,750,015	82,741,204	93,640,365	\$98,993,71	\$78,137,879
EXPENDITURES:						
Current:						
General government	14,189,364	15,633,405	15,656,982	15,600,688	19,961,888	19,405,059
Judicial and public safety	28,573,616	38,285,130	40,737,950	36,447,169	41,802,290	47,730,055
Public works	221,061	209,650	200,312	235,931	207,806	221,400
Human services	1,052,769	977,628	1,139,436	1,201,588	1,446,468	1,955,465
Health	43,724	25,767	28,635	21,630	18,256	38,680
Community and economic development	0	0	0	0	0	0
TOTAL EXPENDITURES	44,080,534	55,131,580	57,763,315	53,515,006	63,436,708	69,350,659
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$31,676,550	\$21,618,435	\$24,977,889	40,125,359	\$35,557,009	\$8,787,220
OTHER FINANCING SOURCES (USES):						
Advances – In	0	185,000	50,983	60,000	0	0
Advances – Out	0	(185,000)	180,000	(60,000)	0	0
Sale of fixed assets	4,672	43,340	(180,000)	15,417	40,889	0
Operating Transfers – in	0	2,233,406	462,480	2,067,940	13,874,470	480,500
Operating Transfers – out	(25,709,124)	(19,594,570)	(23,976,497)	(41,042,965)	(50,909,576)	(8,635,986)
TOTAL OTHER SOURCES (USES)	\$(25,704,452)	\$(17,317,824)	(23,463,035)	(38,959,608)	\$(36,994,217)	\$(8,155,486)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	\$5,972,098	\$4,300,611	\$1,514,854	\$1,165,751	\$1,437,208	\$631,734
BEGINNING BALANCE	\$48,279,264*	32,940,341	\$38,278,211	\$40,656,146	\$39,552,811	\$52,785,000
PRIOR YEAR, Restated (2024)	723,612	1,037,259	863,081	880,556	1,838,274	
ENCUMBRANCES APPROP						
ENDING BALANCE	54,251,362	38,278,211	\$40,656,146	\$42,702,453	\$39,953,877	\$53,416,734

APPENDIX C
AUDITED FINANCIAL STATEMENTS – FISCAL YEAR 2023



LAKE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

OHIO AUDITOR OF STATE
KEITH FABER





LAKE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

OHIO AUDITOR OF STATE
KEITH FABER



LAKE COUNTY
TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	22
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual General Fund	26
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual Developmental Disabilities Board Fund.....	27
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual Board of Alcohol, Drug Addiction & Mental Health Services Fund (ADAMHS Board)	28
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual American Rescue Plan Act Fund	29
Statement of Fund Net Position Proprietary Funds	30
Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds	31
Statement of Cash Flows Proprietary Funds	32
Statement of Fiduciary Net Position Custodial Funds	34

LAKE COUNTY
TABLE OF CONTENTS
(CONTINUED)

TITLE	PAGE
Statement of Changes in Fiduciary Net Position	
Custodial Funds	35
Notes to the Basic Financial Statements	37
Prepared by Management:	
Required Supplementary Information:	
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)	
Ohio Public Employees Retirement System (OPERS) - Last Ten Years.....	112
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)	
State Teachers Retirement System (STRS) - Last Ten Years.....	114
Schedule of the County Pension Contributions	
Ohio Public Employees Retirement System (OPERS) - Last Ten Years.....	116
Schedule of the County Pension Contributions	
State Teachers Retirement System (STRS) - Last Ten Years.....	118
Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset)	
Ohio Public Employees Retirement System (OPERS) - Last Seven Years.....	120
Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset)	
State Teachers Retirement System (STRS)- Last Seven Years.....	122
Schedule of the County OPEB Contributions	
Ohio Public Employees Retirement System (OPERS) - Last Ten Years.....	124
Schedule of the County OPEB Contributions	
State Teachers Retirement System (STRS) - Last Ten Years.....	126
Notes to the Required Supplementary Information	128
Schedule of Expenditures of Federal Awards	131
Notes to the Schedule of Expenditures of Federal Awards	140
Independent Auditor's Report on Internal Control Over	
Financial Reporting and on Compliance and Other Matters	
Required by <i>Government Auditing Standards</i>	141
Independent Auditor's Report on Compliance with Requirements	
Applicable to Each Major Federal Program and on Internal Control	
Over Compliance Required by the Uniform Guidance.....	143
Schedule of Findings.....	147

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Lake County
105 Main Street
P.O. Box 490
Painesville, Ohio 44077

To the County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of Lake County, Ohio (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of Lake County, Ohio as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Developmental Disabilities Board, Board of Alcohol, Drug Addiction & Mental Health Services (ADAMHS) Board and American Rescue Act Plan Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note C to the financial statements, during 2023, the County restated the Net Position of its Business-Type Activities and Solid Waste Enterprise Fund to correctly record the landfill and post-closure liability at December 31, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required budgetary comparison schedules and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of

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

Supplementary information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 23, 2024

This page intentionally left blank.

LAKE COUNTY, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2023 Unaudited

The discussion and analysis of Lake County's financial performance provides an overall review of the County's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position increased \$47,265,759. Net position of governmental activities increased \$35,554,070, which represents a 9 percent increase from 2022. Net position of business-type activities increased \$11,711,689 or 4 percent from 2022.
- General revenues accounted for \$150,611,484 in revenue or 48 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$160,530,231 or 52 percent of total revenues of \$311,141,715.
- Total assets of governmental activities increased by \$5,614,984, and total assets of business-type activities increased by \$7,780,385.
- The County had \$217,604,380 in expenses related to governmental activities; only \$102,634,537 of these expenses were offset by program specific charges for services, grants or contributions. Additional general revenues of \$150,423,913 were sufficient to offset the remainder of the total expenses, thus resulting in the net position increase disclosed above.
- The County's total net pension and net OPEB liability increased by \$122,066,741 and \$3,378,952, respectively, and the net pension and net OPEB asset decreased a total of \$18,953,942. For more information on this liability see Notes J and K to the basic financial statements.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Lake 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 the 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 dollars remain for future spending.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2023* *Unaudited*

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 Lake County, the General Fund, Developmental Disabilities Board, ADAMHS Board, American Rescue Plan Act, and Public Safety are the most significant funds.

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the County's net position and the change in that net position. This change in net position is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, non-financial information such as changes in the County's tax base and the condition of County capital assets will also need to be evaluated.

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

- **Governmental Activities** – Most of the County's programs and services are reported here including general government, judicial and public safety, public works, human services, health and community and economic development and all departments with the exception of our Water, Wastewater and Solid Waste funds.
- **Business-Type Activities** – These services have a charge based upon the amount of usage. The County charges fees to recoup the cost of the entire operation of its Water, Wastewater and Solid Waste funds as well as all capital expenses associated with these facilities.
- **Component Units** – The County includes financial data of Deepwood Industries, Inc. (the Employment Program) and the Lake Development Authority (the Development Authority). The Employment Program is a legally separate, non-profit organization served by a self-appointing board of trustees. The Employment Program, under a contractual agreement with the Lake County Developmental Disabilities Board, provides a comprehensive program of services, including employment for developmentally disabled citizens. The Development Authority was created during 2007 for the purpose of promoting projects that will provide

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2023* *Unaudited*

for the creation of jobs and employment opportunities and improve the economic welfare of the people residing in Lake County.

The Development Authority has a seven-member Board of Directors. The component units are separate and may buy, sell, lease and mortgage property in their own name and can sue or be sued in their own name.

Reporting on the County's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the General Fund, the Developmental Disabilities Board Fund (DD Board), and the Alcohol, Drug Addiction and Mental Health Services Board Fund (ADAMHS Board), the American Rescue Plan Act Fund (ARPA), and Public Safety Fund.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2023* *Unaudited*

Proprietary Funds: The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water, Wastewater and Solid Waste operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its central purchasing, mailroom, and vehicle maintenance departments as well as for its self-insurance programs for prescription, dental and medical coverage. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the County-wide financial statements.

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

This space was intentionally left blank.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2023* *Unaudited*

Government-wide Financial Analysis

The following provides a summary of the County's Net Position for 2023 and 2022:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022 *	2023	2022 *
ASSETS						
Current and other assets	\$ 446,303,412	\$ 432,430,848	\$ 72,465,669	\$ 65,676,066	\$ 518,769,081	\$ 498,106,914
Capital assets, net	189,629,562	181,431,935	260,209,992	256,720,475	449,839,554	438,152,410
Net Pension Asset	1,287,203	2,065,485	180,628	312,505	1,467,831	2,377,990
Net OPEB Asset	111,678	15,788,603	-	2,366,858	111,678	18,155,461
Total Assets	637,331,855	631,716,871	332,856,289	325,075,904	970,188,144	956,792,775
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refunding	43,266	66,863	-	-	43,266	66,863
Pension	63,405,764	21,003,358	8,825,895	3,066,186	72,231,659	24,069,544
OPEB	8,979,940	246,456	1,257,239	34,920	10,237,179	281,376
Total Deferred Outflows of Resources	72,428,970	21,316,677	10,083,134	3,101,106	82,512,104	24,417,783
LIABILITIES						
Current and other liabilities	48,343,699	59,766,985	7,304,110	7,316,541	55,647,809	67,083,526
Long-term liabilities:						
Due within one year	3,759,681	3,169,348	6,620,310	14,609,825	10,379,991	17,779,173
Due in more than one year						
Net Pension Liability	152,801,631	45,332,832	21,268,437	6,670,495	174,070,068	52,003,327
Net OPEB Liability	2,963,147	-	415,805	-	3,378,952	-
Other Amounts	22,317,506	30,397,872	33,576,167	26,824,800	55,893,673	57,222,672
Total Liabilities	230,185,664	138,667,037	69,184,829	55,421,661	299,370,493	194,088,698
DEFERRED INFLOWS OF RESOURCES						
Property taxes	55,101,302	54,742,439	-	-	55,101,302	54,742,439
Pension	1,607,851	56,910,050	205,207	8,580,079	1,813,058	65,490,129
OPEB	1,232,505	16,634,589	159,930	2,497,502	1,392,435	19,132,091
Total Deferred Inflows of Resources	57,941,658	128,287,078	365,137	11,077,581	58,306,795	139,364,659
NET POSITION						
Net investment in capital assets	166,528,968	158,329,195	234,402,759	234,402,759	400,931,727	392,731,954
Restricted	270,569,090	237,896,955	-	-	270,569,090	237,896,955
Unrestricted	(15,464,555)	(10,146,717)	38,986,698	27,275,009	23,522,143	17,128,292
Total Net Position	\$ 421,633,503	\$ 386,079,433	\$ 273,389,457	\$ 261,677,768	\$ 695,022,960	\$ 647,757,201

* Restated

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2023. 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.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2023* *Unaudited*

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 contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$695,022,960 (\$421,633,503 in governmental activities and \$386,079,433 in business type activities) as of December 31, 2023.

A large portion of the County's net position \$400,931,727 (58 percent) reflect its investment in capital assets (e.g., land, building, infrastructure and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

An additional portion of net position, \$270,569,090 (39 percent), represent resources that are subject to external restriction on how they may be used. The remaining balance of \$23,522,143 of unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors.

LAKE COUNTY, OHIO

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Unaudited

As of December 31, 2023, the County is able to report positive balances in all three categories of net position as a whole, however, unrestricted governmental net position was negative due to the inclusion of the net pension and OPEB liabilities. The County would have reported positive balances in the governmental activities unrestricted net position in 2023 and 2022 without the inclusion of these liabilities.

Total assets increased \$13,395,369 which represented a 1 percent increase over 2022. Total assets of governmental activities increased \$5.6 million primarily due to an increase cash and cash equivalents and capital assets, which was offset by a decrease in accrued interest receivable. The changes in net pension and OPEB asset, deferred inflows and outflows or resources, net pension liability, and net OPEB liability are attributed to the recording of GASB Statement Nos. 68 and 75 as previously discussed.

Total assets of business-type activities increased \$7.8 million primarily due to an increase in current and other assets of \$6.8 million and increase in capital assets of \$3.5 million, which was offset by a decrease in net OPEB asset of \$2.4 million. The decrease in current and other assets is due to the decrease in cash and cash equivalents.

The County's balances remain healthy while the County continues to provide the services that the residents expect while maintaining the costs of providing those services. To further understand what makes up the changes in net position for the current year, table 2 gives readers further details regarding the results of activities for 2023 and 2022.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2023* *Unaudited*

Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for services	\$ 28,980,556	\$ 32,922,630	\$ 48,689,777	\$ 44,497,821	\$ 77,670,333	\$ 77,420,451
Operating grants and contributions	73,653,981	51,424,643	-	-	73,653,981	51,424,643
Capital grants and contributions	-	-	9,205,917	4,558,294	9,205,917	4,558,294
Total Program Revenues	102,634,537	84,347,273	57,895,694	49,056,115	160,530,231	133,403,388
General Revenues:						
Property taxes	55,099,470	55,776,251	-	-	55,099,470	55,776,251
Sales Tax	48,735,656	47,411,885	-	-	48,735,656	47,411,885
Conveyance Tax	4,318,468	5,123,187	-	-	4,318,468	5,123,187
Lodging Tax	2,516,819	2,449,794	-	-	2,516,819	2,449,794
Grants and entitlements	13,420,911	13,733,457	-	-	13,420,911	13,733,457
Investment income	14,922,751	(1,386,364)	-	-	14,922,751	(1,386,364)
Gain on Sale of Capital Assets	59,621	130,547	18,754	28,943	78,375	159,490
All other revenues	11,350,217	16,417,675	168,817	227,312	11,519,034	16,644,987
Total General Revenues	150,423,913	139,656,432	187,571	256,255	150,611,484	139,912,687
Total Revenues	253,058,450	224,003,705	58,083,265	49,312,370	311,141,715	273,316,075
EXPENSES						
Program Expenses:						
General government	46,892,414	16,138,063	-	-	46,892,414	16,138,063
Judicial and Public Safety	57,018,241	54,580,998	-	-	57,018,241	54,580,998
Public Works	23,223,971	28,230,233	-	-	23,223,971	28,230,233
Human Services	72,743,421	57,589,673	-	-	72,743,421	57,589,673
Health	13,661,516	14,033,752	-	-	13,661,516	14,033,752
Community and Economic Development	3,308,995	2,551,439	-	-	3,308,995	2,551,439
Interest and fiscal charges	755,822	245,398	-	-	755,822	245,398
Water	-	-	16,756,811	13,795,208	16,756,811	13,795,208
Wastewater	-	-	20,567,734	16,883,413	20,567,734	16,883,413
Solid Waste	-	-	8,947,031	7,493,540	8,947,031	7,493,540
Total Expenses	217,604,380	173,369,556	46,271,576	38,172,161	263,875,956	211,541,717
Change in Net Position before Transfers	35,454,070	50,634,149	11,811,689	11,140,209	47,265,759	61,774,358
Transfers	100,000	100,000	(100,000)	(100,000)	-	-
Change in Net Position	35,554,070	50,734,149	11,711,689	11,040,209	47,265,759	61,774,358
Net Position - Beginning of Year, Restated	386,079,433	335,345,284	261,677,768	250,637,559	647,757,201	585,982,843
Net Position - End of Year	\$ 421,633,503	\$ 386,079,433	\$ 273,389,457	\$ 261,677,768	\$ 695,022,960	\$ 647,757,201

Total governmental activities expenses increased from \$173,369,556 in 2022 to \$217,604,380 in 2023. Due to changes in the net OPEB plan, the County recorded a credit of \$29,857,215 to expenses in 2022 and a debit to expenses of \$5,046,980 in 2023 for a difference of \$34,904,195 in expenses. Of the total \$217.6 million in governmental activities expenses, \$28,980,556 was covered by direct charges to users of the services. A significant portion of those charges are for fees charged for the collection of property taxes throughout the County, fines and forfeitures related to judicial activity, licenses and permits associated with building inspectors, recording fees for deeds and title fees. Judicial and public safety charges for services include fees for prisoner housing and fines and forfeitures related to judicial activity. Human service charges for services include those provided to clients of the DD Board and the Children's Services Fund. Motor vehicle license fees comprise the majority of public works charges.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2023* *Unaudited*

For governmental activities, operating grants and contributions increased from \$51,424,643 in 2022 to \$73,653,981 in 2023 due to an increase in grants received. In 2023 property taxes decreased slightly versus 2022 and sales tax increased versus 2022. Real estate conveyance taxes decreased by \$.8 million in 2023, which represents a 16 percent decrease, which the slight slowdown in the housing market in the County. Investment earnings increased by \$16.3 million from the prior year as interest rates rose. Charges for services to users in the business-type activities amounted to \$48,689,777 and an additional \$9,205,917 was received during the year for grants and contributions for operating and capital expenses. Capital grants and contributions increased due to additional grant opportunities. These two revenue sources more than offset the \$46,271,576 in expenses for business-type activities.

The human services program accounted for \$72,743,421 of expenditures for governmental activities, or 33 percent, of that total. The activity of the County's DD Board comprises more than half of the expenditure total for this program. Expenditures in the human services program increased \$15.2 million in 2023, as compared to 2022, mainly due to the credit to the expense in the amount of \$12.2 million in 2022 and debit to the expense of \$2.0 million in 2023 for the recording of GASB Statement No. 75 for net OPEB asset/liability. The judicial and public safety program and the general government program account for the largest number of departments within programs and, between these two programs, expenditures decreased \$2,437,243 in 2023 as compared to 2022. The decrease in expenditures for all three of these programs is primarily due to the changes in the net pension and net OPEB liabilities/asset, and related pension/OPEB expense. The change in net OPEB liability/asset caused a \$17.2 million credit to general government expenses in 2022 and a debit of \$2.8 in 2023. The public works program accounts for the maintenance and repairs of County roads and bridges. The majority of the health program is the activity of the ADAMHS Board as well as the operations of the Dog Warden. The community and economic development program primarily accounts for federal and state grants related to housing rehabilitation, business development and other community projects.

Financial Analysis of the Government's Funds

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

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 the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$312,351,689. Of this total amount, \$16,213,361 constitutes unassigned fund balance, which is available for appropriation at the County's discretion within certain legal constraints and purpose restrictions. The remainder of fund balance is either non-spendable, restricted, committed or assigned to indicate that it is not available for new spending.

LAKE COUNTY, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2023 Unaudited

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$23,333,212 while the total fund balance was \$55,061,393. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 41 percent of total General Fund expenditures, while total fund balance is 94 percent of that same amount.

The fund balance of the County's General Fund decreased by \$1.7 million during the current fiscal year. Overall General Fund revenues increased in 2023 by \$10.8 million as compared to the previous year. The primary reason for this increase is an increase in interest income. All other revenue sources had nominal increases or decreases. Transfers to other governmental funds for operating purposes amounted to \$41.0 million during 2023.

With respect to the fund balances of the other major governmental funds, the DD Board Fund increased by \$5.0 million. The increase was due to an increase in contract service revenue. The fund balance of the ADAMHS Board Fund decreased slightly by \$56,007. The fund balance of the Public Safety Capital Projects fund increased by \$19.3 million due to a transfer from the General Fund.

Proprietary Funds: The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Water Fund had unrestricted net position at the end of the year of \$13,380,489. Unrestricted net position for the Wastewater Fund amounted to \$22,141,815, which increased due to an increase in grants received. The Solid Waste Fund's unrestricted net position amounted to \$3,464,394, which was only a slight decrease from prior year. Operating revenues for all proprietary funds increased from \$44,725,133 to \$48,858,594, in 2023 as compared to 2022, and operating expenses increased by \$7,732,411, or 20 percent. The changes of the net pension liability, net OPEB liability, net pension asset, net OPEB asset, the related deferred inflows/outflows and personal services were a factor in the increase of operating expenses.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2023* *Unaudited*

General Fund Budgeting Highlights

Budgeting is prescribed by the Ohio Revised Code. 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 Revised Code. Final budgeted revenues and other financing sources increased by \$31,370,575 as compared to the original budget for a total increase of 48 percent, primarily due to increases in the estimates for sales tax, conveyance taxes, intergovernmental revenue, interest, miscellaneous revenue, and transfers in. Actual revenues and other financing sources received were \$324,603 more than the final certification.

Final budgeted expenditures and other financing uses, increased from the original budget. However, actual expenditures and other financing uses were \$10,142,377 less than final budgeted appropriations, which amounted to a 10 percent reduction from the final expenditure budget. The final budgeted appropriations increase was due mostly to an increase in transfers out. The transfers were needed to promote future capital public safety improvements throughout the County.

Capital Assets and Debt Administration

Capital Assets:

Table 3 shows 2023 values compared to 2022.

Capital Assets at December 31 (Net of Depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 7,278,859	\$ 5,123,735	\$ 4,591,592	\$ 4,591,592	\$ 11,870,451	\$ 9,715,327
Construction in progress	47,061,560	45,715,266	45,456,114	38,890,647	92,517,674	84,605,913
Total Non-Depreciable	54,340,419	50,839,001	50,047,706	43,482,239	104,388,125	94,321,240
Land improvements	1,348,460	837,240	14,682	18,481	1,363,142	855,721
Buildings and Improvements	38,472,772	37,811,947	-	-	38,472,772	37,811,947
Intangible Right-to-use Lease - Buildings	3,451,960	4,030,496	-	-	3,451,960	4,030,496
Intangible Right-to-use Subscription	2,662,445	-	-	-	2,662,445	-
Furniture, Fixtures, and Equipment	15,411,080	14,167,670	937,616	888,237	16,348,696	15,055,907
Infrastructure	73,942,426	73,745,581	-	-	73,942,426	73,745,581
Utility Plant in Service	-	-	209,209,988	212,331,518	209,209,988	212,331,518
Total Depreciable, Net of Depreciation	135,289,143	130,592,934	210,162,286	213,238,236	345,451,429	343,831,170
Total Capital Assets, Net of Depreciation	\$ 189,629,562	\$ 181,431,935	\$ 260,209,992	\$ 256,720,475	\$ 449,839,554	\$ 438,152,410

The County's investment in capital assets for its governmental and business type activities as of December 31, 2023, amount to \$449,839,554 (net of accumulated depreciation/amortization. This investment in capital assets includes land, construction in progress, buildings and improvements, intangible right-to-use lease – buildings, equipment and machinery, roads, highways, bridges, utility service lines and related operating facilities and the County landfill. Utility Plant in Service in the business-type activities includes all utility buildings and service lines associated with such operations.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2023* *Unaudited*

Major capital asset events during the current fiscal year included the following:

Additional information on the County's capital assets can be found in Note F of this report.

ELECTIONS HARDWARE IPADS ACCESSORIES	\$ 160,285
PURCHASE 4 VEHICLES FOR ENGINEER	391,047
PURCHASE CHEVY TRAVERSE FOR BUILDING AND GROUNDS	36,060
PURCHASE 3 BUICK ENCORE FOR BUILDING INSPECTION	78,319
PURCHASE VEHICLE FOR CORONER	36,758
PURCHASE TITLE FLEET VEHICLE	27,825
PURCHASE 4 VEHICLES FOR DEEPWOOD	200,639
PURCHASE CHEVY COLORADO FOR DOG WARDEN	43,560
2024 JOHN DEERE 524 FOR ENGINEER	222,330
2023 ROAD RESURFACING	254,806
LIBERTY ST RESURFACING LCE E	118,154
RETAINING WALL MAIDSON AVE	531,351
ROOFING REPLACEMENT NARCOTICS	143,537
PAINE RD RETAINING WALL DESIGN	294,624
BRIDGE REPAIRS CALLOW RD	432,378
PROUTY ROAD CONSTRUCTION	413,780
2023 ROAD CONSTRUCTION	72,900
SANCTUARY ROAD REPAIRS	257,429
ADMIN BLDG UPDATES	1,009,570
MADISON ROAD REPAIRS	1,244,125
ADAMHS BUILDING RENOVATIONS	483,263

Debt

Table 4 summarizes the County's long-term obligations outstanding.

Outstanding Debt at December 31							
	Governmental Activities		Business-Type Activities		Total		
	2023	2022	2023	2022 *	2023	2022 *	
General Obligation Bonds	\$ 3,049,000	\$ 4,207,000	1,413,251	\$ 1,465,594	\$ 4,462,251	\$ 5,672,594	
Special Assessment Bonds	3,696,749	4,094,406	-	-	3,696,749	4,094,406	
OWDA Loans	-	-	10,751,455	11,286,092	10,751,455	11,286,092	
Other Long-term Liabilities	1,765,419	368,671	1,482,383	1,384,098	3,247,802	1,752,769	
Leases	3,487,330	4,048,995	-	-	3,487,330	4,048,995	
Subscriptions	2,476,467	-	-	-	-	-	
Notes Payable	-	10,250,000	5,697,016	7,515,472	5,697,016	17,765,472	
Unamortized Premium on Debt	134,810	200,531	-	-	134,810	200,531	
Landfill Closure & Postclosure	-	-	18,882,720	17,647,402	18,882,720	17,647,402	
Compensated Absences	11,467,412	10,397,617	1,969,652	2,135,967	13,437,064	12,533,584	
Net Pension Liability	152,801,631	45,332,832	21,268,437	6,670,495	174,070,068	52,003,327	
Net OPEB Liability	2,963,147	-	415,805	-	3,378,952	-	
Total Outstanding Debt	<u>\$ 181,841,965</u>	<u>\$ 78,900,052</u>	<u>61,880,719</u>	<u>\$ 48,105,120</u>	<u>\$ 241,246,217</u>	<u>\$ 127,005,172</u>	

* - Restated

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2023* *Unaudited*

Of the debt outstanding at December 31, 2023, the general obligation bonds and notes are backed by the full faith and credit of the County and the special assessment bonds are debt that the County is liable for in the event of default by the property owner subject to the assessment. The Ohio Water Development Authority Loans (OWDA) are for water and wastewater utility improvements. The Other Long-term Liabilities are for water and wastewater utility improvements and road improvements. Capital leases are for the acquisition of capital assets which are paid for over the lease period. Compensated absences are unpaid leave benefits accumulated by County employees and are payable upon termination of employment, subject to certain restrictions.

The County's governmental long-term general obligations increased by \$102,941,913, or 130 percent, in 2023. During the year, the County retired a \$10.2 million note for an administration building project and additional motor vehicles. The net pension and OPEB liability increased over \$110.4 million from the prior year.

The long-term obligations for business-type activities increased by \$13,775,599, or 29 percent, during 2023. During the year, the County retired \$7.5 million in business-type activities long-term notes and also reissued \$5.7 million in business-type activities notes. The net pension and OPEB liability increased over \$15.0 million.

The County maintains an "Aa1" credit rating from Moody's Investor Services, Inc. The overall debt margin at December 31, 2023 was \$178.3 million with an unvoted total debt margin of \$68.5 million. Additional information on the County's long-term debt can be found in Note H of this report.

Economic Factors and Next Year's Budgets and Rates

As previously stated, the fund balance in the General Fund increased in 2023 as a result interest income and miscellaneous revenue increases. The Commissioners and the department heads have worked diligently in reducing expenses as they plan for future large capital improvements including a public safety center. The Commissioners are reviewing all "non-statutorily" mandated expenditure functions to determine what can be further reduced and/or eliminated, and they are stringently monitoring all expenses and are continuing to curtail travel and equipment purchases unless absolutely needed.

The County's portion of federal and state-based revenue has also been affected by the economic conditions. The State of Ohio has experienced revenue losses and, as a result, has instituted cutbacks to state agencies and in their allocations to county and other local governments.

These reduced federal and state funding/reimbursements for various programs have, in some cases, resulted in additional pressure on the General Fund balance, as well as several other County funds.

LAKE COUNTY, OHIO

Management's Discussion and Analysis *For the Year Ended December 31, 2023* *Unaudited*

The County supports expansion of local businesses and has begun many initiatives in recent years to further their support by offering low interest loans to businesses through the Community and Economic Development Department and by working closely with regional partners to continue future expansion of local businesses and/or retainage or creation of additional jobs for Lake County.

Inflationary trends for the County improved in 2023. The unemployment rate for the County at the end of 2023 was 2.9 percent, which was a decrease from the 3.3 percent at the end of 2022. The County's rate compares favorably to the State rate of 3.1 percent at the end of 2023 and is slightly lower than the Federal rate of 3.5 percent. Lake County's economy has been resilient in contrast to other counties in the State of Ohio who are facing significant financial hardships and budget reductions.

The key factor is the County's large retail market and its diversified commercial and industrial economic base. Residential new construction edged up again in 2023. The County is fortunate to have a fairly large amount of undeveloped land in the eastern and southern portions of the County which can hopefully house future new development once the economy improves.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Christopher A. Galloway, Lake County Auditor, 105 Main Street, Painesville, Ohio 44077, (440) 350-2532, or email at: auditor@lakecountyohio.gov, or visit the County Web Site at: <http://www.lakecountyohio.gov>.

LAKE COUNTY, OHIO

Statement of Net Position

December 31, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Employment Program	Development Authority
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 346,401,211	\$ 61,864,774	\$ 408,265,985	\$ 946,827	\$ 2,382,247
Cash and Cash Equivalents:					
In Segregated Accounts	5,336,653	-	5,336,653		
Receivables:					
Property Taxes	56,919,769	-	56,919,769	-	-
Sales Tax	7,958,351	-	7,958,351	-	-
Accounts	949,456	8,179,512	9,128,968	60,629	203,685
Other Assets and Receivables	-	-	-	(450)	663,909
Special Assessments	9,568,942	-	9,568,942	-	-
Accrued Interest	1,065,487	-	1,065,487	-	-
Due from Other Governments	16,623,706	-	16,623,706	-	-
Materials and Supplies Inventory	892,290	2,378,708	3,270,998	685	-
Internal Balances	22,329	(22,329)	-	-	-
Loans Receivable	50,055	-	50,055	-	-
Prepaid Items	515,163	65,004	580,167	5,827	19,061
Nondepreciable Capital Assets	54,340,419	50,047,706	104,388,125	-	9,014,888
Depreciable Capital Assets	135,289,143	210,162,286	345,451,429	2,158	1,576,968
Net Pension Asset	1,287,203	180,628	1,467,831	-	34,866
Net OPEB Asset	111,678	-	111,678	-	-
Total Assets	637,331,855	332,856,289	970,188,144	1,015,676	13,895,624
DEFERRED OUTFLOWS OF RESOURCES					
Deferral on Refunding	43,266	-	43,266	-	-
Pension	63,405,764	8,825,895	72,231,659	-	199,954
OPEB	8,979,940	1,257,239	10,237,179	-	38,033
Total Deferred Outflows of Resources	72,428,970	10,083,134	82,512,104	-	237,987
LIABILITIES					
Accounts Payable	1,544,987	2,367,236	3,912,223	-	100,638
Accrued Wages and Benefits	3,312,324	513,600	3,825,924	36,639	-
Due to Other Governments	1,697,023	346,038	2,043,061	-	7,101
Employee Withholding and Benefits Payable	10,015,914	235,471	10,251,385	-	-
Matured Compensated Absences Payable	248,114	-	248,114	-	20,132
Accrued Interest Payable	60,078	295,346	355,424	-	-
Retainage Payable	-	507,335	507,335	-	-
Other Payables	-	-	-	4,139	290,613
Customer Deposits	-	648,806	648,806	-	-
Claims Payable	191,695	-	191,695	-	-
Unearned Revenue	22,739,479	2,390,278	25,129,757	-	-
Notes Payable	8,534,085	-	8,534,085	-	-
Long-term Liabilities:					
Due within one year	3,759,681	6,620,310	10,379,991	-	10,000
Due in more than one year:					
Net Pension Liability	152,801,631	21,268,437	174,070,068	-	326,713
Net OPEB Liability	2,963,147	415,805	3,378,952	-	12,837
Other Amounts Due in more than one year	22,317,506	33,576,167	55,893,673	-	80,000
Total Liabilities	230,185,664	69,184,829	299,370,493	40,778	848,034
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	55,101,302	-	55,101,302	-	-
Gain on Sale of Land and Leases	-	-	-	-	505,159
Pension	1,607,851	205,207	1,813,058	-	28,637
OPEB	1,232,505	159,930	1,392,435	-	8,152
Total Deferred Inflows of Resources	57,941,658	365,137	58,306,795	-	541,948
NET POSITION					
Net Investment in Capital Assets	166,528,968	238,241,100	404,770,068	2,158	10,501,856
Restricted for:					
Debt Service	5,900,970	-	5,900,970	-	-
Capital Projects	102,894,614	-	102,894,614	-	291,082
Roads and Bridges	8,378,381	-	8,378,381	-	-
Health Programs	5,891,664	-	5,891,664	-	-
Public Assistance/Human Services	59,906,543	-	59,906,543	-	-
Economic Development	13,665,974	-	13,665,974	-	-
Children's Services Programs	14,500,354	-	14,500,354	-	-
Other Public Works Activity	23,086,136	-	23,086,136	-	-
Judicial/Public Safety Grants/Programs	19,467,939	-	19,467,939	-	-
Other Purposes	16,876,515	280,000	17,156,515	8,426	-
Unrestricted (Deficit)	(15,464,555)	34,868,357	19,403,802	964,314	1,950,691
Total Net Position	\$ 421,633,503	\$ 273,389,457	\$ 695,022,960	\$ 974,898	\$ 12,743,629

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY, OHIO
Statement of Activities
For the Year Ended December 31, 2023

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Primary Government:				
Governmental activities:				
Judicial and Public Safety	\$ 57,018,241	\$ 11,126,844	\$ 3,468,605	\$ -
Health	13,661,516	712,944	6,601,371	-
Human Services	72,743,421	2,052,709	28,605,147	-
Community and Economic Development	3,308,995	-	2,299,206	-
Public Works	23,223,971	5,950,030	13,074,402	-
General Government	46,892,414	9,138,029	19,605,250	-
Interest and Fiscal Charges	755,822	-	-	-
Total Governmental activities	217,604,380	28,980,556	73,653,981	-
Business-type activities:				
Water	16,756,811	18,888,165	-	1,103,506
Wastewater	20,567,734	21,138,864	-	8,102,411
Solid Waste	8,947,031	8,662,748	-	-
Total Business-type activities	46,271,576	48,689,777	-	9,205,917
Total Primary Government	\$ 263,875,956	\$ 77,670,333	\$ 73,653,981	\$ 9,205,917
Component Units:				
Employment Program	\$ 1,150,915	\$ 582,144	\$ 794,439	\$ -
Port Authority	4,623,322	349,956	948,042	3,035,732
Total Component Units	\$ 5,774,237	\$ 932,100	\$ 1,742,481	\$ 3,035,732

General Revenues:

Property Taxes levied for:

General Purposes

Developmental Disabilities

Mental Health

Children's Services

Narcotics Agency

Forensic Crime Laboratory

Senior Citizen Services

Sales Taxes Levied for General Purposes

Conveyance Tax Levied for General Purposes

Lodging Tax Levied for Specific Purposes

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

All Other Revenues

Transfers

Total General Revenues

Change in Net Position

Net Position - Beginning of Year, Restated

Net Position - End of Year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Employment Program	Development Authority	
\$ (42,422,792)	\$ -	\$ (42,422,792)	\$ -	\$ -	
(6,347,201)	-	(6,347,201)	-	-	
(42,085,565)	-	(42,085,565)	-	-	
(1,009,789)	-	(1,009,789)	-	-	
(4,199,539)	-	(4,199,539)	-	-	
(18,149,135)	-	(18,149,135)	-	-	
(755,822)	-	(755,822)	-	-	
(114,969,843)	-	(114,969,843)	-	-	
-	3,234,860	3,234,860	-	-	
-	8,673,541	8,673,541	-	-	
-	(284,283)	(284,283)	-	-	
-	11,624,118	11,624,118	-	-	
\$ (114,969,843)	\$ 11,624,118	\$ (103,345,725)	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ 225,668	\$ -	
-	-	-	-	(289,592)	
\$ -	\$ -	\$ -	225,668	(289,592)	
6,523,975	-	6,523,975	-	-	
25,086,710	-	25,086,710	-	-	
8,529,021	-	8,529,021	-	-	
5,615,030	-	5,615,030	-	-	
1,141,532	-	1,141,532	-	-	
3,763,503	-	3,763,503	-	-	
4,439,699	-	4,439,699	-	-	
48,735,656	-	48,735,656	-	-	
4,318,468	-	4,318,468	-	-	
2,516,819	-	2,516,819	-	-	
13,420,911	-	13,420,911	-	-	
14,922,751	-	14,922,751	22,514	78,080	
59,621	18,754	78,375	-	54,764	
11,350,217	168,817	11,519,034	-	135,067	
100,000	(100,000)	-	-	-	
150,523,913	87,571	150,611,484	22,514	267,911	
35,554,070	11,711,689	47,265,759	248,182	(21,681)	
386,079,433	261,677,768	647,757,201	726,716	12,765,310	
\$ 421,633,503	\$ 273,389,457	\$ 695,022,960	\$ 974,898	\$ 12,743,629	

LAKE COUNTY, OHIO

Balance Sheet Governmental Funds December 31, 2023

	General Fund	Developmental Disabilities Board	ADAMHS	American Rescue Plan Act	Public Safety	Other Governmental Funds	Total Governmental Funds
ASSETS							
Equity in Pooled Cash and Cash Equivalents	\$50,818,089	\$ 49,452,911	\$ 3,405,602	\$23,312,737	\$58,719,765	\$145,704,536	\$331,413,640
Cash and Cash Equivalents:							
In Segregated Accounts	5,336,653	-	-	-	-	-	5,336,653
Receivables:							
Property Taxes	6,720,229	25,926,223	8,810,079	-	-	15,463,238	56,919,769
Sales Tax	7,958,351	-	-	-	-	-	7,958,351
Accounts	331,933	19,627	-	-	-	597,896	949,456
Special Assessments	-	-	-	-	-	9,568,942	9,568,942
Accrued Interest	1,025,054	-	-	-	-	40,433	1,065,487
Due from Other Funds	37,006	-	-	-	-	343,564	380,570
Due from Other Governments	889,900	615,946	2,445,302	-	-	12,415,466	16,366,614
Materials and Supplies Inventory	-	-	-	-	-	862,917	862,917
Interfund Receivable	19,765	-	-	-	-	-	19,765
Loans Receivable	-	-	-	-	-	50,055	50,055
Prepaid Items	441,416	35,627	7,529	-	-	30,495	515,067
Total Assets	<u>\$73,578,396</u>	<u>\$ 76,050,334</u>	<u>\$14,668,512</u>	<u>\$23,312,737</u>	<u>\$58,719,765</u>	<u>\$185,077,542</u>	<u>\$431,407,286</u>
Liabilities:							
Accounts Payable	\$ 197,790	\$ 87,899	\$ 500	\$ 573,258	\$ -	\$ 675,117	\$ 1,534,564
Accrued Wages and Benefits	1,518,283	846,234	31,690	-	-	907,841	3,304,048
Matured Compensated Absences Payable	114,809	60,084	-	-	-	73,221	248,114
Employee Withholdings and Benefits Payable	8,810,365	411,877	15,773	-	-	777,899	10,015,914
Due to Other Governments	918,841	293,585	15,492	-	-	465,074	1,692,992
Due to Other Funds	198,497	2,187	-	-	-	205,215	405,899
Interfund Payable	-	-	-	-	-	19,765	19,765
Unearned Revenue	-	-	-	22,739,479	-	-	22,739,479
Notes Payable	-	-	-	-	-	8,534,085	8,534,085
Total Liabilities	<u>11,758,585</u>	<u>1,701,866</u>	<u>63,455</u>	<u>23,312,737</u>	<u>-</u>	<u>11,658,217</u>	<u>48,494,860</u>
Deferred Inflows of Resources:							
Property Taxes	6,508,307	25,095,467	8,528,623	-	-	14,968,905	55,101,302
Unavailable Revenue - Delinquent Property Taxes	211,922	830,756	281,456	-	-	494,333	1,818,467
Unavailable Revenue - Special Assessments	-	-	-	-	-	3,379,058	3,379,058
Unavailable Revenue - Intergovernmental	38,189	-	1,132,188	-	-	9,091,533	10,261,910
Total Deferred Inflows of Resources	<u>6,758,418</u>	<u>25,926,223</u>	<u>9,942,267</u>	<u>-</u>	<u>-</u>	<u>27,933,829</u>	<u>70,560,737</u>
Fund Balances:							
Nonspendable	780,774	35,627	7,529	-	-	893,412	1,717,342
Restricted	-	48,386,618	4,655,261	-	-	138,694,683	191,736,562
Committed	29,151,845	-	-	-	58,719,765	13,017,252	100,888,862
Assigned	1,795,562	-	-	-	-	-	1,795,562
Unassigned (Deficit)	23,333,212	-	-	-	-	(7,119,851)	16,213,361
Total Fund Balances	<u>55,061,393</u>	<u>48,422,245</u>	<u>4,662,790</u>	<u>-</u>	<u>58,719,765</u>	<u>145,485,496</u>	<u>312,351,689</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$73,578,396</u>	<u>\$ 76,050,334</u>	<u>\$14,668,512</u>	<u>\$23,312,737</u>	<u>\$58,719,765</u>	<u>\$185,077,542</u>	<u>\$431,407,286</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY, OHIO
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2023*

Total Governmental Funds Balance	\$ 312,351,689
---	----------------

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	189,629,562
--	-------------

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenues in the funds:

Property Taxes	1,818,467	
Special Assessments	3,379,058	
Intergovernmental	10,261,910	
Total		15,459,435

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(60,078)
--	----------

Internal Service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service funds are included in Governmental Activities in the Statement of Net Position.	15,107,365
--	------------

The net pension liability/asset and the net OPEB liability are not due and payable in the current period; and the net pension and net OPEB asset are not available for spending in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	63,405,764	
Deferred Inflows - Pension	(1,607,851)	
Net Pension Asset	1,287,203	
Net OPEB Asset	111,678	
Net Pension Liability	(152,801,631)	
Deferred Outflows - OPEB	8,979,940	
Deferred Inflows - OPEB	(1,232,505)	
Net OPEB Liability	(2,963,147)	
Total		(84,820,549)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

General obligation bonds and notes	(3,049,000)	
Special assessment bonds	(3,696,749)	
Unamortized premiums	(134,810)	
Deferral on refunding	43,266	
Compensated absences	(11,467,412)	
Leases and Subscriptions	(5,963,797)	
OPWC loans	(1,765,419)	
Total		(26,033,921)

Net Position of Governmental Activities	\$ 421,633,503
--	-----------------------

The notes to the basic financial statements are an integral part of this statement.

LAKE COUNTY, OHIO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Developmental		American		Other	Total
	Fund	Disabilities		Rescue	Public	Governmental	Governmental
		Board	ADAMHS	Plan Act	Safety	Funds	Funds
REVENUES							
Property Taxes	\$ 6,590,212	\$ 25,392,393	\$ 8,629,790	\$ -	\$ -	\$ 15,140,644	\$ 55,753,039
Sales Tax	48,735,656	-	-	-	-	-	48,735,656
Conveyance and Other Local Taxes	4,283,722	-	-	-	-	2,551,565	6,835,287
Intergovernmental	8,382,954	17,592,355	8,122,369	19,232,022	-	36,166,877	89,496,577
Interest	14,457,568	-	-	-	-	465,183	14,922,751
Licenses and Permits	1,360,637	-	-	-	-	888,400	2,249,037
Fines and Forfeitures	989	-	-	-	-	1,735,347	1,736,336
Fees and Charges for Services	8,443,888	27,886	-	-	-	12,946,147	21,417,921
Contributions and Donations	-	7,456	-	-	-	17,189	24,645
Special Assessments	-	-	-	-	-	5,808,804	5,808,804
All Other Revenues	2,535,314	1,083,730	586,238	-	5,381	7,128,207	11,338,870
Total Revenues	94,790,940	44,103,820	17,338,397	19,232,022	5,381	82,848,363	258,318,923
EXPENDITURES							
Judicial and Public Safety	39,080,929	-	-	-	-	13,038,897	52,119,826
Health	21,642	198,834	12,801,300	-	-	774,078	13,795,854
Human Services	1,217,038	37,102,742	-	-	-	30,380,283	68,700,063
Community and Economic Development	-	-	-	-	-	3,260,471	3,260,471
Public Works	241,623	-	-	477,958	-	18,997,783	19,717,364
General Government	14,321,734	-	-	18,754,064	-	8,513,945	41,589,743
Capital Outlay	3,012,779	-	4,537,944	-	3,703,138	6,988,483	18,242,344
Debt Service:							
Principal Retirement	626,807	-	52,379	-	-	12,327,700	13,006,886
Interest and Fiscal Charges	506	-	2,781	-	-	783,656	786,943
Bond Issuance Costs	-	-	-	-	-	23,185	23,185
Total Expenditures	58,523,058	37,301,576	17,394,404	19,232,022	3,703,138	95,088,481	231,242,679
Excess of Revenues Over (Under) Expenditures	36,267,882	6,802,244	(56,007)	-	(3,697,757)	(12,240,118)	27,076,244
OTHER FINANCING SOURCES (USES)							
Sale of Capital Assets	15,417	-	-	-	-	47,669	63,086
Inception of Subscription Payable	3,012,779	-	-	-	-	-	3,012,779
OPWC Loans Issued	-	-	-	-	-	1,500,000	1,500,000
Transfers In	-	-	-	-	23,000,000	25,316,960	48,316,960
Transfers Out	(41,042,965)	(1,800,000)	-	-	-	(5,373,995)	(48,216,960)
Total Other Financing Sources (Uses)	(38,014,769)	(1,800,000)	-	-	23,000,000	21,490,634	4,675,865
Net Change in Fund Balances	(1,746,887)	5,002,244	(56,007)	-	19,302,243	9,250,516	31,752,109
Fund Balances - Beginning of Year	56,808,280	43,420,001	4,718,797	-	39,417,522	136,234,980	280,599,580
Fund Balances - End of Year	\$ 55,061,393	\$ 48,422,245	\$ 4,662,790	\$ -	\$ 58,719,765	\$ 145,485,496	\$ 312,351,689

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY, OHIO
*Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023*

Net Change in Fund Balances-Total Governmental Funds		\$ 31,752,109
<i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital asset additions in the current period.		
Capital Asset Additions	\$ 19,729,516	
Depreciation	<u>(11,528,424)</u>	
Total		8,201,092
In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets.		
		(3,465)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property and Other Local Taxes	(653,569)	
Special assessments	(1,118,372)	
Intergovernmental	<u>(3,306,533)</u>	
Total		(5,078,474)
Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of debt and the related premiums.		
		(4,512,779)
Repayment of bond principal, notes, OPWC loan, financed purchases, and leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
		13,006,886
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows		
Pension	11,635,763	
OPEB	<u>141,847</u>	
		11,777,610
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension expense in the statement of activities.		
Pension	(22,178,239)	
OPEB	<u>5,353,649</u>	
		(16,824,590)
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	(1,069,795)	
Accrued interest on bonds	12,182	
Amortization of bond premiums	65,721	
Amortization of loss on refunding	<u>(23,597)</u>	
Total		(1,015,489)
Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities.		
		<u>(1,748,830)</u>
Change in Net Position of Governmental Activities		<u>\$ 35,554,070</u>

The notes to the basic financial statements are an integral part of this statement.

LAKE COUNTY, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual General Fund For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 6,200,000	\$ 6,575,000	\$ 6,586,387	\$ 11,387
Sales Tax	37,000,000	48,550,000	48,545,801	(4,199)
Conveyances and Other Local Taxes	3,251,500	4,207,350	4,283,722	76,372
Fees and Charges for Services	5,703,215	6,245,815	5,930,778	(315,037)
License and Permits	1,200,000	1,372,000	1,361,812	(10,188)
Fines and Forfeitures	152,000	173,000	188,857	15,857
Intergovernmental	5,927,134	8,387,284	8,409,425	22,141
Interest	2,750,000	14,965,000	14,751,255	(213,745)
All Other Revenues	2,553,901	3,560,001	3,582,328	22,327
Total Revenues	<u>64,737,750</u>	<u>94,035,450</u>	<u>93,640,365</u>	<u>(395,085)</u>
Expenditures:				
Current:				
General Government	18,511,106	18,257,476	15,600,688	2,656,788
Judicial and Public Safety	45,573,815	43,028,583	36,447,169	6,581,414
Public Works	215,196	247,196	235,931	11,265
Human Services	1,764,980	1,880,840	1,209,588	671,252
Health	37,755	38,937	21,630	17,307
Total Expenditures	<u>66,102,852</u>	<u>63,453,032</u>	<u>53,515,006</u>	<u>9,938,026</u>
Excess of Revenues Over (Under) Expenditures	(1,365,102)	30,582,418	40,125,359	9,542,941
Other Financing Sources (Uses)				
Sale of Capital Assets	-	50,000	15,417	(34,583)
Advances In	-	60,000	60,000	-
Advances Out	-	(60,000)	(60,000)	-
Transfers In	-	1,962,875	2,067,940	105,065
Transfers Out	(7,790,348)	(41,247,316)	(41,042,965)	204,351
Total Other Financing Sources (Uses)	<u>(7,790,348)</u>	<u>(39,234,441)</u>	<u>(38,959,608)</u>	<u>274,833</u>
Net Change in Fund Balance	(9,155,450)	(8,652,023)	1,165,751	9,817,774
Fund Balance - Beginning of Year	40,656,146	40,656,146	40,656,146	-
Prior Year Encumbrances Appropriated	880,556	880,556	880,556	-
Fund Balance - End of Year	<u>\$ 32,381,252</u>	<u>\$ 32,884,679</u>	<u>\$ 42,702,453</u>	<u>\$ 9,817,774</u>

See accompanying notes to the basic financial statements.

LAKE COUNTY, OHIO

*Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual
Developmental Disabilities Board Fund
For the Year Ended December 31, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 25,130,000	\$ 25,700,000	\$ 25,392,393	\$ (307,607)
Intergovernmental	14,280,750	14,464,581	17,592,355	3,127,774
Contributions and Donations	-	2,900	7,456	4,556
All Other Revenues	867,300	1,765,900	1,067,461	(698,439)
Total Revenues	<u>40,278,050</u>	<u>41,933,381</u>	<u>44,059,665</u>	<u>2,126,284</u>
Expenditures:				
Current:				
Human Services	41,631,596	41,656,953	37,415,360	4,241,593
Total Expenditures	<u>41,631,596</u>	<u>41,656,953</u>	<u>37,415,360</u>	<u>4,241,593</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,353,546)</u>	<u>276,428</u>	<u>6,644,305</u>	<u>6,367,877</u>
Other Financing (Uses)				
Transfers In	-	-	210,800	210,800
Transfers Out	-	(3,610,800)	(2,010,800)	1,600,000
Total Other Financing (Uses)	<u>-</u>	<u>(3,610,800)</u>	<u>(1,800,000)</u>	<u>1,810,800</u>
Net Change in Fund Balance	(1,353,546)	(3,334,372)	4,844,305	8,178,677
Fund Balance - Beginning of Year	43,846,723	43,846,723	43,846,723	-
Fund Balance - End of Year	<u>\$ 42,493,177</u>	<u>\$ 40,656,127</u>	<u>\$ 48,834,804</u>	<u>\$ 8,178,677</u>

See accompanying notes to the basic financial statements.

LAKE COUNTY, OHIO

*Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual
Board of Alcohol, Drug Addiction & Mental Health Services Fund (ADAMHS BOARD)
For the Year Ended December 31, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 8,334,400	\$ 8,334,400	\$ 8,629,790	\$ 295,390
Intergovernmental	6,759,910	7,009,910	7,193,598	183,688
All Other Revenues	550,000	550,000	586,238	36,238
Total Revenues	<u>15,644,310</u>	<u>15,894,310</u>	<u>16,409,626</u>	<u>515,316</u>
Expenditures:				
Current:				
Health	12,228,734	14,480,861	13,841,791	639,070
Capital Outlay	4,724,508	5,200,976	4,537,944	663,032
Total Expenditures	<u>16,953,242</u>	<u>19,681,837</u>	<u>18,379,735</u>	<u>1,302,102</u>
Net Change in Fund Balance	(1,308,932)	(3,787,527)	(1,970,109)	1,817,418
Fund Balance - Beginning of Year	4,229,862	4,229,862	4,229,862	-
Prior Year Encumbrances Appropriated	422,947	422,947	422,947	-
Fund Balance - End of Year	<u>\$ 3,343,877</u>	<u>\$ 865,282</u>	<u>\$ 2,682,700</u>	<u>\$ 1,817,418</u>

See accompanying notes to the basic financial statements.

LAKE COUNTY, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual American Rescue Plan Act Fund For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 100,000	\$ 100,000	\$ -
Total Revenues	-	100,000	100,000	-
Expenditures:				
Current:				
General Government	17,500,000	37,283,441	18,764,633	18,518,808
Total Expenditures	17,500,000	37,283,441	18,764,633	18,518,808
Net Change in Fund Balance	(17,500,000)	(37,183,441)	(18,664,633)	18,518,808
Fund Balance - Beginning of Year	41,977,370	41,977,370	41,977,370	-
Fund Balance - End of Year	<u>\$ 24,477,370</u>	<u>\$ 4,793,929</u>	<u>\$ 23,312,737</u>	<u>\$ 18,518,808</u>

See accompanying notes to the basic financial statements.

LAKE COUNTY, OHIO
Statement of Fund Net Position
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise				Governmental Activities
	Water	Waste Water	Solid Waste	Total	Internal Service Funds
ASSETS					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 14,865,851	\$ 25,933,329	\$ 21,065,594	\$ 61,864,774	\$ 14,987,571
Materials and Supplies Inventory	2,001,744	374,530	2,434	2,378,708	29,373
Accounts Receivable	3,360,791	3,844,039	974,682	8,179,512	-
Due from Other Funds	-	10,950	28,425	39,375	47,882
Due from Other Governments	-	-	-	-	257,092
Prepaid Items	26,077	34,077	4,850	65,004	96
Total Current Assets	20,254,463	30,196,925	22,075,985	72,527,373	15,322,014
Noncurrent Assets:					
Capital Assets:					
Land	1,303,593	1,489,174	1,798,825	4,591,592	-
Construction in Progress	12,781,584	29,113,214	3,561,316	45,456,114	-
Depreciable Assets, Net of Depreciation	89,022,783	110,351,741	10,787,762	210,162,286	-
Net Pension Asset	81,450	89,845	9,333	180,628	252
Total Noncurrent Assets	103,189,410	141,043,974	16,157,236	260,390,620	252
Total Assets	123,443,873	171,240,899	38,233,221	332,917,993	15,322,266
DEFERRED OUTFLOWS OF RESOURCES					
Pension	3,979,820	4,390,051	456,024	8,825,895	12,300
OPEB	566,921	625,359	64,959	1,257,239	1,752
Total Deferred Outflows of Resources	4,546,741	5,015,410	520,983	10,083,134	14,052
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,247,799	1,115,741	3,696	2,367,236	10,423
Accrued Wages and Benefits	236,546	252,046	25,008	513,600	8,276
Customer Deposits Payable	295,325	353,481	-	648,806	-
Retainage Payable	176,494	255,760	75,081	507,335	-
Due to Other Governments	105,928	115,198	124,912	346,038	4,031
Due to Other Funds	24,895	35,758	1,051	61,704	224
Employee Withholdings and Benefits Payable	106,359	117,052	12,060	235,471	-
Accrued Interest Payable	54,821	240,525	-	295,346	-
Unearned Revenue	1,042,525	1,347,753	-	2,390,278	-
Compensated Absences Payable	82,470	76,566	13,892	172,928	3,490
Claims Payable	-	-	-	-	191,695
General Obligation Bonds Payable	-	54,087	-	54,087	-
Notes Payable	1,300,421	4,396,595	-	5,697,016	-
OWDA Loans Payable	28,150	543,059	-	571,209	-
Other Long Term Debt Payable	41,929	83,141	-	125,070	-
Total Current Liabilities	4,743,662	8,986,762	255,700	13,986,124	218,139
Noncurrent Liabilities:					
Compensated Absences Payable	856,866	795,515	144,343	1,796,724	36,263
General Obligation Bonds Payable	-	1,359,164	-	1,359,164	-
OWDA Loans Payable	394,096	9,786,150	-	10,180,246	-
Other Long Term Debt Payable	566,998	790,315	-	1,357,313	-
Landfill Closure and Post-Closure Costs	-	-	18,882,720	18,882,720	-
Net Pension Liability	9,590,478	10,579,042	1,098,917	21,268,437	29,639
Net OPEB Liability	187,497	206,824	21,484	415,805	580
Total Noncurrent Liabilities	11,595,935	23,517,010	20,147,464	55,260,409	66,482
Total Liabilities	16,339,597	32,503,772	20,403,164	69,246,533	284,621
DEFERRED INFLOWS OF RESOURCES					
Pension	92,533	102,071	10,603	205,207	286
OPEB	72,116	79,550	8,264	159,930	223
Total Deferred Inflows of Resources	164,649	181,621	18,867	365,137	509
NET POSITION					
Net Investment in Capital Assets	99,607,892	122,529,815	16,103,393	238,241,100	-
Restricted for:					
Pension	126,260	139,273	14,467	280,000	390
Unrestricted	11,752,216	20,901,828	2,214,313	34,868,357	15,050,798
Total Net Position	\$ 111,486,368	\$ 143,570,916	\$ 18,332,173	\$ 273,389,457	\$ 15,051,188

See accompany notes to the basic financial statements.

LAKE COUNTY, OHIO
*Statement of Revenues, Expenditures, and Changes in Net Position-
Proprietary Funds*
For the Year Ended December 31, 2023

	Business-Type Activities - Enterprise				Governmental Activities Internal Service Funds
	Water	Waste Water	Solid Waste	Total	
OPERATING REVENUES					
Water Sales	\$ 18,387,617	\$ -	\$ -	\$ 18,387,617	\$ -
Sewer Charges	-	19,548,375	-	19,548,375	-
Fees, Permits and Tap-Ins	-	248,739	-	248,739	-
Charges for Services	500,548	1,341,750	8,662,748	10,505,046	20,648,630
Other Operating Revenues	121,550	24,911	22,356	168,817	150,573
Total Operating Revenues	19,009,715	21,163,775	8,685,104	48,858,594	20,799,203
OPERATING EXPENSES					
Personal Services	7,329,321	8,097,005	885,067	16,311,393	316,294
Materials and Supplies	2,480,416	1,856,931	130,672	4,468,019	686,725
Contractual Services	1,802,534	1,293,082	6,501,084	9,596,700	191,116
Depreciation	3,976,266	6,606,062	1,213,682	11,796,010	-
Insurance Claims	-	-	-	-	19,493,091
Other	1,108,703	1,984,672	216,526	3,309,901	1,875,632
Total Operating Expenses	16,697,240	19,837,752	8,947,031	45,482,023	22,562,858
Operating Income (Loss)	2,312,475	1,326,023	(261,927)	3,376,571	(1,763,655)
NONOPERATING REVENUES (EXPENSES)					
Gain on Sale of Capital Assets	5,924	7,375	5,455	18,754	-
Interest and Fiscal Charges	(59,571)	(729,982)	-	(789,553)	-
Total Nonoperating Revenues (Expenses)	(53,647)	(722,607)	5,455	(770,799)	-
Income (Loss) Before Capital Contributions and Transfers	2,258,828	603,416	(256,472)	2,605,772	(1,763,655)
Grants and Contributed Capital	1,103,506	8,102,411	-	9,205,917	-
Transfers Out	(50,000)	(50,000)	-	(100,000)	-
Change in Net Position	3,312,334	8,655,827	(256,472)	11,711,689	(1,763,655)
Net Position - Beginning of Year, Restated	108,174,034	134,915,089	18,588,645	261,677,768	16,814,843
Net Position - End of Year	\$ 111,486,368	\$ 143,570,916	\$ 18,332,173	\$ 273,389,457	\$ 15,051,188

See accompany notes to the basic financial statements.

LAKE COUNTY, OHIO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities - Enterprise				Governmental Activities
	Water	Waste Water	Solid Waste	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 31,775,438	\$ 21,022,683	\$ 8,870,069	\$ 61,668,190	\$ 20,655,038
Cash Received from Interfund Services Provided	-	-	-	-	30,130
Other Operating Revenues	121,550	24,911	22,356	168,817	51,287
Cash Payments to Employees for Services	(7,492,271)	(8,245,738)	(848,308)	(16,586,317)	(300,404)
Cash Payments for Supplies	(2,784,031)	(1,880,132)	(179,880)	(4,844,043)	(682,482)
Cash Payments for Contractual Services	(15,104,839)	(310,204)	(3,871,543)	(19,286,586)	(182,857)
Cash Payments for Claims	-	-	-	-	(19,576,250)
Other Cash Payments	(2,368,778)	(2,335,262)	(1,758,765)	(6,462,805)	(1,916,472)
Net Cash Provided by (Used for) Operating Activities	<u>4,147,069</u>	<u>8,276,258</u>	<u>2,233,929</u>	<u>14,657,256</u>	<u>(1,922,010)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	8,059,306	9,415,882	1,464,007	18,939,195	-
Transfers Out	(8,109,306)	(9,465,882)	(1,464,007)	(19,039,195)	-
Net Cash (Used for) Noncapital Financing Activities	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Grants Received	614,811	7,137,792	-	7,752,603	-
Proceeds from OPWC Loans	-	218,867	-	218,867	-
Proceeds of Notes	1,300,000	4,390,000	-	5,690,000	-
Premium on Note Issuances	10,101	19,953	-	30,054	-
Proceeds from Sale of Capital Assets	5,924	7,375	5,455	18,754	-
Principal Paid on Debt	(1,698,087)	(6,524,474)	-	(8,222,561)	-
Interest Paid on Debt	(34,515)	(534,285)	-	(568,800)	-
Payments for Capital Acquisitions	(4,591,713)	(6,102,877)	(2,449,296)	(13,143,886)	-
Net Cash (Used for) Capital and Related Financing Activities	<u>(4,393,479)</u>	<u>(1,387,649)</u>	<u>(2,443,841)</u>	<u>(8,224,969)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(296,410)	6,838,609	(209,912)	6,332,287	(1,922,010)
Cash and Cash Equivalents - Beginning of Year	15,162,261	19,094,720	21,275,506	55,532,487	16,909,581
Cash and Cash Equivalents - End of Year	<u>\$ 14,865,851</u>	<u>\$ 25,933,329</u>	<u>\$ 21,065,594</u>	<u>\$ 61,864,774</u>	<u>\$ 14,987,571</u>

(Continued)

LAKE COUNTY, OHIO
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended December 31, 2023

	Business-Type Activities				Governmental Activities
	Water	Waste Water	Solid Waste	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 2,312,475	\$ 1,326,023	\$ (261,927)	\$ 3,376,571	\$ (1,763,655)
Adjustments:					
Depreciation	3,976,266	6,606,062	1,213,682	11,796,010	-
(Increase) Decrease in Assets and Deferred Outflows:					
Accounts Receivable	(241,893)	(161,231)	235,746	(167,378)	21,503
Due from Other Governments	-	-	-	-	(90,659)
Materials and Supplies Inventory	(304,716)	(23,966)	813	(327,869)	4,149
Due from Other Funds	-	(10,950)	(28,425)	(39,375)	6,408
Prepaid Items	(3,322)	(7,223)	(502)	(11,047)	14
Net Pension Asset	58,813	68,000	5,064	131,877	124
Net OPEB Asset	1,062,327	1,195,493	109,038	2,366,858	2,846
Deferred Outflows of Resources - Pension and OPEB	(3,154,857)	(3,449,051)	(378,120)	(6,982,028)	(10,324)
Increase (Decrease) in Liabilities and Deferred Inflows:					
Accounts Payable	(298,630)	678,786	(235,615)	144,541	(51,366)
Accrued Wages	19,226	25,043	3,676	47,945	923
Due to Other Funds	24,895	35,758	1,051	61,704	224
Due to Other Governments	(1,255,110)	(68,173)	115,991	(1,207,292)	999
Customer Deposits	34,365	56,000	-	90,365	-
Payroll Withholdings Payable	7,676	8,200	2,119	17,995	-
Compensated Absences Payable	(135,833)	(3,262)	(27,220)	(166,315)	12,792
Retainage Payable	68,711	(2,240)	(78,398)	(11,927)	-
Landfill Closure and Post-Closure Costs	-	-	1,235,318	1,235,318	-
Claims Payable	-	-	-	-	(65,375)
Net Pension Liability	6,596,530	7,209,796	791,616	14,597,942	21,618
Net OPEB Liability	187,497	206,824	21,484	415,805	580
Deferred Inflows of Resources - Pension and OPEB	(4,807,351)	(5,413,631)	(491,462)	(10,712,444)	(12,811)
Net Cash Provided by (Used for) Operating Activities	\$ 4,147,069	\$ 8,276,258	\$ 2,233,929	\$ 14,657,256	\$ (1,922,010)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
In 2023, the County received infrastructure donations	\$ 488,695	\$ 964,619	\$ -	\$ 1,453,314	\$ -
The net impact of accruals related to capital assets	\$ (998,899)	\$ (58,466)	\$ 369,038	\$ (688,327)	\$ -

See accompany notes to the basic financial statements.

LAKE COUNTY, OHIO
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2023

	<u>Custodial</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 23,042,297
Cash and Cash Equivalents in Segregated Accounts	2,164,148
Receivables:	
Due from Other Governments	1,894,901
Property Taxes	368,035,224
Special Assessments	18,950,955
Total Assets	<u>414,087,525</u>
LIABILITIES	
Due to Other Governments	18,584,696
Total Liabilities	<u>18,584,696</u>
DEFERRED INFLOWS OF RESOURCES	
Special Assessments	13,975,415
Property Taxes	366,216,756
Total Deferred Inflows of Resources	<u>380,192,171</u>
NET POSITION	
Restricted For:	
Individuals, Organizations, and Other Governments	15,310,658
Total Net Position	<u>\$ 15,310,658</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY, OHIO
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2023

	<u>Custodial</u>
ADDITIONS	
Intergovernmental	\$ 26,776,069
Amounts Received as Fiscal Agent	12,014,994
Special Assessment Collections for Other Governments	4,975,540
Property Tax Collections for Other Governments	252,647,792
Licenses, Permits, & Fees Distributions for Other Governments	845,039
Fines and Forfeitures for Other Governments	2,051,031
Total Additions	<u>299,310,465</u>
DEDUCTIONS	
Distributions to the State of Ohio	2,905,956
Distributions of State Funds to Other Governments	16,974,098
Property Tax Collections to Other Governments	253,726,170
Special Assessment Collections to Other Governments	4,699,025
Distributions as Fiscal Agent	21,744,506
Total Deductions	<u>300,049,755</u>
Net Decrease in Fiduciary Net Position	(739,290)
Net Position - Beginning of Year	16,049,948
Net Position - End of Year	<u><u>\$ 15,310,658</u></u>

The notes to the financial statements are an integral part of this statement.

Notes to the Basic Financial Statements

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – DESCRIPTION OF LAKE COUNTY

Lake County was established in March 1840 by an act of the Ohio General Assembly. Situated on Lake Erie in the extreme northeastern part of Ohio, the County operates as a political subdivision of the State of Ohio, exercising only those powers and powers incidental thereto, conferred by the Ohio Legislature. Lake County voters elect a total of eleven legislative and administrative county officials. The three-member Board of Commissioners is the legislative and executive body of the County. The County Auditor is the chief fiscal officer and tax assessor. The County Treasurer serves as the custodian of all County funds and as tax collector. In addition, there are six other elected administrative officials provided for by Ohio law, which include the Clerk of Courts, Coroner, Engineer, Prosecutor, Recorder, and Sheriff. The judicial branch of the County is comprised of four Common Pleas Court Judges, one Domestic Relations Court Judge, one Juvenile Court Judge, one Probate Court Judge and two Court of Appeals Judges.

Lake County provides a myriad of services to its approximately 230,000 residents. The County offers a wide range of human and social services, health and community assistance services, law enforcement services, road and building maintenance services as well as other general and administrative support services. Additionally, Lake County operates a water distribution, a wastewater collection system, a solid waste disposal system and a solid waste-recycling program.

REPORTING ENTITY

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Lake County, this includes the Children's Services Board, the Developmental Disabilities Board, the Alcohol, Drug Addiction and Mental Health Services Board, and all departments and activities that are directly operated by the elected County officials.

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

Discretely Presented Component Units

The component unit columns in the financial statements identify the financial data of the County's component units, Deep wood Industries, Inc. and the Lake Development Authority. They are reported separately to emphasize that they are legally separate from the County.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – DESCRIPTION OF LAKE COUNTY (CONTINUED)

REPORTING ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

DEEPWOOD INDUSTRIES, INC. (The Employment Program)

Deepwood Industries, Inc. is a legally separate, not-for-profit corporation, served by a self-appointing board of trustees. The Employment Program, under a contractual agreement with the Lake County Developmental Disabilities Board (the DD Board), provides a comprehensive program of services, including employment, for developmentally disabled citizens of Lake County. The DD Board provides the Employment Program with expenses and personnel for operation of the Employment Program, including staff salaries and benefits, equipment and other support services necessary for the implementation of the programs offered by the Employment Program. The Employment Program cannot issue bonded debt or levy taxes and, thus, is not fiscally independent. Since the Employment Program is fiscally dependent on the County and since the Employment Program provides services to other agencies in addition to the County government, Deepwood Industries, Inc. is reflected as a component unit of Lake County. Separately issued financial statements can be obtained from Deepwood Industries, Inc., 8121 Deepwood Blvd., Mentor, OH 44060.

LAKE DEVELOPMENT AUTHORITY (the Development Authority)

The Lake Development Authority was established by the Board of the Lake County Commissioners in 2007 as a body corporate and politic for the purpose of promoting projects that will provide for the creation of jobs and employment opportunities and improve the economic welfare of the people residing in Lake County, as well as to encourage projects to enhance, foster, aid, provide or promote transportation, economic development, housing, recreation, education, governmental operations, culture or research within the territory served by the Development Authority. The Development Authority is governed by a seven-member Board of Directors, each of whom is appointed by the Board of County Commissioners. The Board of County Commissioners can remove any appointed member of the Board of Directors and can also dissolve the Development Authority upon adoption of a resolution. As a result, the Development Authority is reflected as a component unit of Lake County. Separately issued financial statements can be obtained from the Lake County Ohio Development Authority, 1 Victoria Place, Suite 265A, Painesville, OH 44077.

Information in the following notes to the basic financial statements is applicable to the primary government. When information is provided relative to the component unit, it is specifically identified.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – DESCRIPTION OF LAKE COUNTY (CONTINUED)

REPORTING ENTITY (CONTINUED)

The County Treasurer, as the custodian of public funds, invests all public monies held on deposit in the County treasury. In the case of the Lake County General Health District and the Lake County Soil and Water Conservation District, the County serves as fiscal agent but is not financially accountable for their operations. Accordingly, the activity of these agencies are presented as custodial funds within the basic financial statements.

Related Organizations

The following entities are considered related organizations to the reporting entity. This decision was based on the fact that although the Board of Commissioners or County Probate Judge appoints the majority of the board members of each of these entities, the County is not fiscally accountable for any of these organizations. The Board of County Commissioners or County Probate Judge cannot impose its will on any of these entities in any manner, nor does there exist any financial benefit or burden relationship between any of these entities and the County. The entities that were determined to be related organizations are:

LAKE METROPARKS

The three Park District Commissioners are appointed by the Probate Judge of the County. The District hires and fires staff, and does not rely on the County to finance deficits. The County is not financially accountable for the District nor is the District financially dependent on the County. The District serves as its own taxing and debt issuance authority and does not receive any funding from the County.

LAKELAND COMMUNITY COLLEGE

Lakeland Community College is designated as a distinct political subdivision and corporate body that provides higher education opportunities to the residents of Lake County. No financial relationship exists between the County and the College. Although the Board of County Commissioners appoints the majority of Lakeland's board members, the College has complete control of its fiscal officers and operations.

LAKETRAN

Laketran provides bus transportation services to the residents of Lake County. Laketran is a distinct political subdivision of the State and a separate corporate body. Although all board members are appointed by the Board of County Commissioners, the Laketran Board has the separate governing authority to levy and collect taxes, adopt its own budget, issue bonds and control its own operations.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – DESCRIPTION OF LAKE COUNTY (CONTINUED)

REPORTING ENTITY (CONTINUED)

LAKE COUNTY LIBRARY DISTRICT

The Morley Library provides library services to residents living in the City of Painesville, Grand River Village, a portion of Concord Township, Leroy Township and Painesville Township. Although the Board of County Commissioners appoints a majority of the Library District's board members, the County cannot impose its will on the Library District nor is there a financial benefit received by, or burden placed on, the County with respect to the Library District.

Jointly Governed Organizations

The County is a participant in the following Jointly Governed Organizations:

NORTHEAST OHIO COMMUNITY ALTERNATIVE PROGRAM FACILITY (NEOCAP)

The Northeast Ohio Community Alternative Program Facility is a community-based corrections facility that provides residents of the facility educational, vocational, substance abuse and support counseling services. The facility is administered by a judicial corrections board consisting of seven common pleas court judges. The members consist of two judges each from Trumbull and Lake Counties, and one judge each from Ashtabula, Geauga, and Portage Counties. The Board adopts its own budget, authorizes expenditures, and hires and fires its own staff. Funding is provided by the State of Ohio. Financial statements can be obtained from Northeast Ohio Community Alternative Program Facility at 411 Pine Avenue SE, Warren, OH 44483.

NORTHEAST OHIO NETWORK (NEON)

NEON is a council of governments formed to provide a regional effort in administering, managing, and operating programs for certain individuals with developmental disabilities. Participating counties include Geauga, Ashland, Ashtabula, Cuyahoga, Columbiana, Lorain, Lake, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull and Wayne Counties. NEON's operation is controlled by their Board, which is comprised of the superintendents of the Board of Developmental Disabilities of each participating county. NEON adopts its own budget, authorizes expenditures and hires and fires its own staff. During 2023, NEON received sufficient revenues from State grant monies and no additional funds were needed from Lake County. Financial statements can be obtained from North East Ohio Network at 5121 Mahoning Ave, Suite 103, Austintown, OH 44515.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – DESCRIPTION OF LAKE COUNTY (CONTINUED)

Jointly Governed Organizations (Continued)

NORTHEAST OHIO AREAWIDE COORDINATING AGENCY (NOACA)

Northeast Ohio Areawide Coordinating Agency (NOACA) was created by the County Commissioners of Cuyahoga, Geauga, Lake, Lorain and Medina Counties and is responsible for transportation and environmental planning in the five-county region. NOACA is controlled by 37 members including the three County Commissioners. The board exercises total control over the operation of the corporation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. In 2023, the County did not contribute to NOACA. Financial statements can be obtained from Northeast Ohio Areawide Coordinating Agency at 1299 Superior Avenue, Cleveland, OH 44114.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION

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

Government-wide Financial Statements

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

The 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 business-type activities 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. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

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 governmental program or business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements

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

FUND ACCOUNTING

The County, the Employment Program and the Development Authority use funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain County functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. For financial statement presentation purposes, the various funds of the County are grouped into the following generic fund types under the broad fund categories 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND ACCOUNTING (CONTINUED)

Governmental Funds (Continued):

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

Board of Developmental Disabilities: The developmental disabilities board fund accounts for the operation of a school and resident homes for the developmentally disabled. Revenue sources include a county-wide property tax levy and federal and state grants.

Board of Alcohol, Drug Addiction and Mental Health Services: The mental health board fund accounts for federal and state grants and county-wide property tax levies that are expended primarily to pay the costs of contracts with local mental health agencies that provide services to the public at large.

American Rescue Plan Act: The American rescue plan act fund accounts for federal grants that are expended to support urgent COVID-19 response efforts, replace lost revenue, support immediate economic stabilization, and to address systemic public health and economic challenges.

Public Safety Capital Projects: The public safety capital projects fund accounts for the resources for the acquisition, construction, or improvement of the public safety center for the entity.

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

Proprietary Funds:

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

Water: The County provides water to residential, commercial, and industrial customers. Revenue generated through user charges is used for operation, maintenance and capital improvements of the water distribution system.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND ACCOUNTING (CONTINUED)

Proprietary Funds (Continued)

Wastewater: The County provides sanitary sewer service to residential, commercial and industrial customers. Wastewater charges are based on water usage or fixed fees and serve as the major revenue source for financing the operations and maintenance of the wastewater system.

Solid Waste: This fund is used to account for the financial operations of the County's solid waste removal and landfill activities. Revenues are generated primarily from user tipping fees.

Internal Service Funds: Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's Internal Service Funds are the Central Purchasing, Mailroom and Garage funds, each of which account for the activities of those departments who provide those respective services to other County departments. In addition, the Prescription Self-Insurance, Dental Self-Insurance and Hospitalization Self-Insurance funds account for the prescription, dental and hospitalization benefits programs offered by the County, which are self-insured.

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The County does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The County's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the County as fiscal agent for the Lake County General Health District and the Lake County Soil and Water Conservation District and other districts and entities; for various taxes, assessments, fines and fees collected for the benefit of and distributed to other governments; for State shared resources received from the State and distributed to other local governments, and for various fines and fees collected and distributed through the courts for the benefit of others.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS

Government-wide Financial Statements:

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and 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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types 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 net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

The Employment Program has adopted Financial Accounting Standard Board Statement of Accounting Standards (FAS) No. 117 (Financial Statements of Not-for-Profit Organizations) for presentation of its financial statements. As such, the financial statements are presented on the basis of unrestricted and restricted net position.

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; proprietary and fiduciary funds, the Employment Program and the Development Authority also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING (CONTINUED)

Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the sale occurs. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note L). 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 non-exchange 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) and fees.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position and balance sheets will sometimes 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 include a deferred charge on refunding, pension and OPEB reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes J and K.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statements of net position and balance sheets report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, unavailable revenue, pension and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB are reported on the statements of net position (see Notes J and K).

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 delinquent property taxes, special assessments, intergovernmental grants, State assistance receipts and other receivables collected outside of the available period. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Expenses/Expenditures

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

The Employment Program and the Development Authority each allocates their expenses on a functional basis among its various programs and support services. Expenses and support services that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs are allocated based on estimates established by each entity.

BUDGETARY PROCESS

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

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETARY PROCESS (CONTINUED)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Commissioners. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2023. The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Commissioners during the year.

Tax Budget

A budget of estimated revenues and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 15 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission reviews estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. 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. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs either to be increased or decreased. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during 2023.

Appropriations

A temporary appropriation resolution to control expenditures may be passed on or around 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 fixes spending authority at the fund, program, department, and object level.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETARY PROCESS (CONTINUED)

Appropriations (Continued)

The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations among departments and objects within a fund may be modified during the year only by a resolution of the County Commissioners. Several supplemental appropriation resolutions were legally enacted by the County Commissioners during the year. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Budgeted Level of Expenditures

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for the purposes other than those designated in the appropriation resolution without authority from the County Commissioners. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation.

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 fiscal year and is not reappropriated.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end within the general fund are reported as assigned fund balance for subsequent-year expenditures of the fund.

Budgetary information for the Employment Program and the Development Authority is not reported because neither of the component units are included in the entity for which the “appropriated budget” is adopted and neither adopt a separate budget.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

POOLED CASH AND CASH EQUIVALENTS

The County Treasurer invests all active County funds. Active County funds are invested in federal agency obligations, treasury and corporate notes, and municipal bonds. Inactive funds are invested in certificates of deposit and the State Treasurer's Investment Pool. The County pools its cash for investment purposes to capture the highest return. Investment income is distributed to various funds based upon their average daily cash balances. Investments are reported at fair value, which is based on quoted market prices. Interest income earned in the General Fund in 2023 totaled \$14,457,568, which includes \$12,446,520 assigned from funds other than the General Fund. For purposes of reporting cash flows, cash and cash equivalents include all cash items, investments and deposits which can readily be converted into cash. Certificates of deposit are included regardless of initial maturity as they meet the criteria for ready conversion.

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

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

INVENTORY OF SUPPLIES

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

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditures in the governmental fund types when purchased. Inventories of the enterprise fund are expensed when used.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTERFUND RECEIVABLES

Non-current portions of long-term interfund loan receivables are reported as interfund receivables and are offset by a nonspendable fund balance. Nonspendable fund balance includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2023 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

INTERFUND BALANCES

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “due to/from other funds”. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

CAPITAL ASSETS

General capital assets are capital assets, which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital 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 fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County’s infrastructure consists of roads, bridges, and culverts. Water and sanitary sewers and the associated operation facilities, as well as the County’s landfill facilities are reported as utility plant in service. 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. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated or amortized except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County’s historical records of necessary improvements and replacement.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS (CONTINUED)

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	20 Years	20 Years
Buildings and other Structures	20-45 Years	20-45 Years
Furniture, Fixtures and Equipment	3-20 Years	3-20 Years
Infrastructure	30-65 Years	30-65 Years

The County is reporting an intangible right to use asset related to leased buildings and subscription-based information technology arrangements (SBITAs). This intangible asset is being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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, compensated absences, net pension liability, net OPEB liability and special termination benefits 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 and capital leases are recognized as a liability in the fund financial statements when due.

COMPENSATED ABSENCES

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences" as interpreted by Interpretation No. 6 of the GASB, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements".

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 probable that the employer will compensate the employees for the benefits through paid time off or some other means. Employees earn vacation time at varying rates depending on the duration of their employment. There is no requirement that annual leave be taken, but Ohio law requires vacation not be accumulated more than three (3) years.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES (CONTINUED)

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

FUND BALANCE

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the County Commissioners, which may be expressed by a motion but need not be passed by formal action, such as a resolution.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE (CONTINUED)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit 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 either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The County has a General Fund budget stabilization arrangement classified as committed. The County established a budget stabilization by resolution to provide options to stabilize against cyclical changes in revenues and expenditures. The balance in the reserve at December 31, 2023 is \$9,042,400.

NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include, among others, funds for the operation of a school; resident homes for the developmentally disabled; the medical, financial and social support to general relief recipients; the support and placement of children; County road and bridge repair/improvement programs; various judicial and public safety programs and other grant funds.

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

OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for providing water service, providing wastewater treatment service, utilization of the County landfill, fees for services provided by internal service departments to other departments, and self-insurance programs. 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 these definitions are classified as nonoperating.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTERFUND TRANSACTIONS

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

BOND PREMIUM

On the government-wide financial statements and the statement of fund net position of the proprietary funds, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On fund statements, bond premiums are receipted in the year the bonds are issued.

PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

ESTIMATES

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

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE C – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

Change in Accounting Principles

During the year, the County implemented the following Governmental Accounting Standards Board (GASB) Statements and Implementation Guides:

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. These changes were incorporated in the County's financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The implementation of this Statement did not have an effect on the financial statements of the County.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. These changes were incorporated in the County's financial statements.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of this Statement did not have an effect on the financial statements of the County.

Restatement of Net Position

Net Position was restated by \$6,158,932 from \$24,747,577 to \$18,588,645 in the Business Type Solid Waste Fund to correctly record the landfill and post-closure liability at December 31, 2022.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE D – BUDGETARY BASIS OF ACCOUNTING

While the County is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) are presented in the basic financial statements for the General Fund and Major Special Revenue Funds. The major differences between the budget basis and the GAAP basis are:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Advances in and out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
- (d) Outstanding year end encumbrances are treated as expenditures (budget basis) rather than part of restricted, committed and assigned fund balances (GAAP basis) for governmental funds.
- (e) *Certain funds have legally separate adopted budgets (budget) but are included in the General Fund (GAAP).
- (f) *As part of Governmental Accounting Standards Board No. 54 “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis. This included the Certificate of Title Administration special revenue fund.

Net Change in Fund Balance
General and Major Special Revenue Funds

	General	MRDD Board	ADAMHS Board	American Rescue Plan Act
GAAP Basis	(\$1,746,887)	\$5,002,244	(\$56,007)	\$0
Net Adjustment for Revenue Accruals	(3,314,785)	(44,155)	(928,771)	(19,132,022)
Advances In	60,000	-	-	0
Advances Out	(60,000)	-	-	0
Beginning Fair Value Adjustment	9,333,745	-	-	0
Ending Fair Value Adjustment	(4,120,255)	-	-	0
Beginning Custodial Fund Adjustment	(9,752,941)	-	-	0
Ending Custodial Fund Adjustment	9,466,981	-	-	0
Net Adjustment for Expenditure Accruals	3,035,798	92,446	(278,202)	467,389
Adjustment for Funds Budgeted as Special Revenue	(1,350,114)	-	-	0
Adjustment for Encumbrances	(385,791)	(206,230)	(707,129)	0
Budget Basis	<u>\$1,165,751</u>	<u>\$4,844,305</u>	<u>(\$1,970,109)</u>	<u>(\$18,664,633)</u>

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE E – DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT

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

Active monies are public deposits necessary to meet the demands on the treasury. Such monies must be maintained either as cash by the County, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Interim deposits are deposits of interim monies. Interim monies are those which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, 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.

Interim monies to 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 or 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;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations.
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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 certificate, upon receipt of confirmation of transfer from the custodian.

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the County's name.

DEPOSITS

Custodial Credit Risk

At December 31, 2023, the carrying amount of the County's deposits was \$35,745,345. Based on the criteria described in GASB 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, \$40,572,868 of the County's bank balance of \$41,322,868 was exposed to custodial risk as discussed below, while \$750,000 was covered by the Federal Deposit Insurance Corporation (FDIC). Although all State statutory requirements for the deposit of money had been followed, non-compliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

DEPOSITS (CONTINUED)

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in possession of an outside party. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by (1) eligible securities pledged to the County and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State. For 2022, the County's financial institutions were approved for a collateral rate of 102% through the OPCS.

Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

INVESTMENTS

As of December 31, 2023, the County had \$162,314,318 invested in STAR Ohio. The County's investments are valued using quoted market prices (level 1 inputs).

Investments are reported at fair value. As of December 31, 2023, the County had the following investments:

Investment Type	Investment Maturities			Total
	Less than Six Months	More Than Six Months But Less Than One Year	More Than One Year But Less Than Three Years	
Treasury and Corporate Note	\$ 7,107,049	\$ 4,213,697	\$ 95,594,406	\$ 106,915,152
Federal Farm Credit Bank Bonds	3,526,800	24,870,002	26,799,131	55,195,933
Federal Home Loan Bank	2,791,796	8,946,527	29,918,087	41,656,410
Federal Home Loan Mortgage Corporation	-	-	1,863,420	1,863,420
Federal National Mortgage Association	-	8,610,894	10,215,294	18,826,188
Municipal & Ohio Entities	-	240,450	16,051,867	16,292,317
STAROhio	162,314,318	-	-	162,314,318
Total Portfolio	<u>\$ 175,739,963</u>	<u>\$ 46,881,570</u>	<u>\$ 180,442,205</u>	<u>\$ 403,063,738</u>

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Interest Rate Risk

As a means of limiting its exposure to fair value losses caused by rising interest rates, the County's investment policy requires that operating funds be invested primarily within five years from the date of purchase and that the County's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of this policy is to avoid the need to sell securities prior to maturity.

Credit Risk

The Federal Home Loan Bank Notes, the Federal Farm Credit Bank Bonds and the Municipal and Commercial Paper carry a rating of AAA by Standard & Poor's and STAR Ohio also carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The County has no investment policy that would further limit its investment choices.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Notes, the Federal Farm Credit Bank, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Corporate Note and the Municipal Paper are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the County's name. The County has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The County places no limit on the amount it may invest in any one issuer. The following is the County's allocation as of December 31, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
Treasury Note	\$ 87,417,988	21.7%
Corporate Note	19,497,164	4.8%
Federal Farm Credit Bank Bonds	55,195,933	13.7%
Federal Home Loan Bank	41,656,410	10.3%
Federal Home Loan Mortgage Corporation	1,863,420	0.5%
Federal National Mortgage Association	18,826,188	4.7%
Municipal & Ohio Entities	16,292,317	4.0%
STAROhio	162,314,318	40.3%
Total Investments	<u>\$ 403,063,738</u>	<u>100.0%</u>

COMPONENT UNITS

At December 31, 2023, the carrying amount of Deepwood Industries, Inc. Employment Program's deposits was \$946,827. Based on the criteria described in GASB Statement No. 40 "Deposits and Investments Risk Disclosures", as of December 31, 2023, none of the Employment Program's bank balance of \$92,058 was exposed to custodial risk, meaning the full amount of the balance was covered by the Federal Depository Insurance Corporation. There are no statutory guidelines regarding the deposit and investment of funds by the not-for-profit corporation.

At December 31, 2023, the carrying amount of all Authority deposits was \$1,274,905 and the bank balance of all Authority deposits was \$1,287,571. \$500,000 of the bank balance was covered by Federal Deposit Insurance Corporation (FDIC) and \$787,571 was potentially exposed to custodial credit risk as discussed below.

As of December 31, 2023, the Authority had \$1,107,342 invested in STAR Ohio. The Authority's investments are valued using quoted market prices (level 1 inputs).

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE F – CAPITAL ASSETS

Governmental capital asset activity for the year ended December 31, 2023, was as follows:

	Balance 01/01/2023	Additions	Deletions	Balance 12/31/2023
Governmental Activities				
<i>Capital Assets Not Being Depreciated/Amortized:</i>				
Land	\$ 5,123,735	\$ 2,155,124	\$ -	\$ 7,278,859
Construction in Progress	45,715,266	2,792,038	(1,445,744)	47,061,560
<i>Total Capital Assets Not Being Depreciated/Amortized</i>	<u>50,839,001</u>	<u>4,947,162</u>	<u>(1,445,744)</u>	<u>54,340,419</u>
<i>Capital Assets, Being Depreciated/Amortized:</i>				
Land Improvements	1,676,253	531,351	-	2,207,604
Buildings & Other Structures	104,838,910	3,435,277	-	108,274,187
Intangible Right-to-use Lease - Buildings	4,630,875	-	(81,027)	4,549,848
Intangible Right-to-use Subscription	-	3,012,779	-	3,012,779
Furniture, Fixtures & Equipment	50,984,298	4,627,506	(764,870)	54,846,934
Infrastructure	152,741,401	4,621,185	-	157,362,586
<i>Total Capital Assets, Being Depreciated/Amortized</i>	<u>314,871,737</u>	<u>16,228,098</u>	<u>(845,897)</u>	<u>330,253,938</u>
<i>Less Accumulated Depreciation/Amortization:</i>				
Land Improvements	(839,013)	(20,131)	-	(859,144)
Buildings & Other Structures	(67,026,963)	(2,774,452)	-	(69,801,415)
Intangible Right-to-use Lease - Buildings	(600,379)	(578,536)	81,027	(1,097,888)
Intangible Right-to-use Subscription	-	(350,334)	-	(350,334)
Furniture, Fixtures & Equipment	(36,816,628)	(3,380,631)	761,405	(39,435,854)
Infrastructure	(78,995,820)	(4,424,340)	-	(83,420,160)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(184,278,803)</u>	<u>(11,528,424) *</u>	<u>842,432</u>	<u>(194,964,795)</u>
<i>Total Capital Assets Being Depreciated/Amortized, Net</i>	<u>130,592,934</u>	<u>4,699,674</u>	<u>(3,465)</u>	<u>135,289,143</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$ 181,431,935</u>	<u>\$ 9,646,836</u>	<u>\$ (1,449,209)</u>	<u>\$ 189,629,562</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$ 1,304,017
Judicial and Public Safety	3,638,437
Public Works	5,033,658
Human Services	1,393,677
Health	158,635
Total	<u>\$ 11,528,424</u>

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE F – CAPITAL ASSETS (CONTINUED)

Business-type capital asset activity for the year ended December 31, 2023, was as follows:

	Balance 01/01/2022	Additions	Reductions	Balance 12/31/2022
Business-Type Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 4,591,592	\$ -	\$ -	\$ 4,591,592
Construction in Progress	38,890,647	13,398,447	(6,832,980)	45,456,114
<i>Total Capital Assets Not Being Depreciated</i>	<u>43,482,239</u>	<u>13,398,447</u>	<u>(6,832,980)</u>	<u>50,047,706</u>
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	383,823	-	-	383,823
Utility Plant in Service	498,242,345	7,930,919	-	506,173,264
Furniture, Fixtures and Equipment	11,709,813	789,141	(117,498)	12,381,456
<i>Total Capital Assets, Being Depreciated</i>	<u>510,335,981</u>	<u>8,720,060</u>	<u>(117,498)</u>	<u>518,938,543</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(365,342)	(3,799)	-	(369,141)
Utility Plant in Service	(285,910,827)	(11,052,449)	-	(296,963,276)
Furniture, Fixtures and Equipment	(10,821,576)	(739,762)	117,498	(11,443,840)
<i>Total Accumulated Depreciation</i>	<u>(297,097,745)</u>	<u>(11,796,010)</u>	<u>117,498</u>	<u>(308,776,257)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>213,238,236</u>	<u>(3,075,950)</u>	<u>-</u>	<u>210,162,286</u>
<i>Total Business-Type Capital Assets, Net</i>	<u>\$ 256,720,475</u>	<u>\$ 10,322,497</u>	<u>\$ (6,832,980)</u>	<u>\$ 260,209,992</u>

NOTE G – INTERFUND TRANSACTIONS

Due to/from other funds and interfund payables and receivables balances at December 31, 2023, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occurred, (2) transactions are recorded in the accounting records, and (3) payments between funds are made.

	Interfund Receivables	Interfund Payables
General Fund	\$ 19,765	\$ -
Domestic Relations	-	19,765
Total	<u>\$ 19,765</u>	<u>\$ 19,765</u>

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE G – INTERFUND TRANSACTIONS (CONTINUED)

	Due From	Due To
Governmental Funds:		
General Fund	\$37,006	\$198,497
Developmental Disabilities Board	-	2,187
Other Nonmajor Governmental Funds	343,564	205,215
<i>Total Governmental Funds</i>	<u>380,570</u>	<u>405,899</u>
Proprietary Funds:		
Water	-	24,895
Wastewater	10,950	35,758
Solid Waste	28,425	1,051
Internal Service Funds	47,882	224
<i>Total Proprietary Funds</i>	<u>87,257</u>	<u>61,928</u>
Total	<u><u>\$467,827</u></u>	<u><u>\$467,827</u></u>

NOTE H – LONG-TERM DEBT

The issue date, interest rates and issuance amount for each of the County's bonds and loans follows:

	Issuance Date	Maturity Date	Original Interest Rate	Original Issue Amount
Governmental Activities:				
General Obligation Bonds:				
County Building Improvement & Refunding	2013	2025	1.25% - 3.50%	\$9,435,000
Dog Shelter Renovation Refunding	2021	2032	1.63%	952,000
Special Assessment Bonds:				
Windpoint Reserve, McMackin, South Ridge, Shepard, Baldwin, Althea, Dormae Roads 242S, 243W, 248W 249W, 250W, 251W, 253W	2004	2024	2.00% - 5.35%	1,610,000
Mount Royal, Spring Lake, Spring Lake Loop 241W, 246W, 265W	2005	2025	3.50% - 5.00%	670,000
Route 20 East of Lane, Perry Village, Ashview, Meadow Wood, Perry Park Road 244S, 258S, 274S, 262W, 300W	2009	2029	2.00% - 5.25%	1,857,000
Maple Street 291S	2009	2029	2.00% - 5.25%	540,000
Kirtland Sanitary Sewer	2013	2042	2.00% - 3.75%	3,538,451

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE H – LONG-TERM DEBT (CONTINUED)

<i>Governmental Activities (Continued):</i>	Date	Date	Interest Rate	Issue Amount
OPWC Loans:				
CG71M - Mill-Moor Drive, Ravenna Road	2010	2025	0.00%	218,009
CG34L - River Road Safety Improvement Phase II	2010	2030	0.00%	588,000
CG22P - Blasé' Nemeth Widening	2013	2029	0.00%	8,327
CG05P - Vrooman Road, State Route 86	2013	2029	0.00%	82,048
CG13T - Auburn and Hardy Roads	2018	2032	0.00%	11,896
CG06U - Hoose Road/Andrea Bridge Improvements	2019	2033	0.00%	150,000
CG14R - Vrooman Road Bridge Improvements	2023	2043	0.00%	1,500,000
<i>Business-Type Activities:</i>				
General Obligation Bonds:				
Kirtland Sanitary Sewer 284S	2012	2042	2.00% - 3.75%	1,896,549
OWDA Loans				
Madison Township WWTP Expansion	2015	2039	2.74% - 3.24%	12,442,917
City of Willoughby Hills	2006	2025	3.03%	488,959
Aquarius Water Treatment Plant	2018	2038	3.00%	557,419
OPWC Loans				
CG17K - Mentor Headlands San Sewer Replacement	2010	2029	0.00%	142,683
CG02M - Dundee Glasgow & Kelso Sewer	2011	2041	0.00%	8,402
CG38O - Bellflower Area Outlet Sewer Replace	2013	2033	0.00%	50,000
CG10P - Glyco Forcemain Replacement	2015	2036	0.00%	50,000
CG46O - Cedar Park Woodland Sewer Phase II	2016	2036	0.00%	249,970
CG11K - Hubbard Road Waterline	2012	2032	0.00%	49,550
CG37P - Lakeshore Boulevard Waterline	2015	2036	0.00%	235,000
CG02O - Johnny Cake Ridge Road Waterline	2016	2037	0.00%	98,381
CG40T - Nan Linn Road Waterline Project	2017	2037	0.00%	118,475
CG26R - Mentor Marsh Sanitary Interceptor Project	2018	2038	0.00%	50,000
CG52T - Deerfield Relief Sewer	2018	2038	0.00%	15,756
CG37U - Strawberry Lane Waterline Replacement	2018	2038	0.00%	37,216
CG30U - Prouty & Glyco Rehab Project	2019	2039	0.00%	150,000
CG28W - Erie Street & Waterline Replacement	2020	2040	0.00%	150,000
CG34V - Mantle Road Waterline	2022	2042	0.00%	150,000
CG50Y - Lakeshore Truck Sewer	2022	2042	0.00%	167,000
CG05Z - Trunk Sewer Rehabilitation Phase II	2024	2044	0.00%	150,000
CG40Y - Bellflower Area Sanitary Sewer Improvement	2023	2043	0.00%	150,000

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE H – LONG-TERM DEBT (CONTINUED)

Changes in long-term obligations during the year ended December 31, 2023 consist of the following:

	Balance 12/31/22	Additions	Deductions	Balance 12/31/23	Due in One Year
Governmental Activities:					
<i>General Obligation Bonds:</i>					
County Building Improvement & Refunding-2013	\$ 3,335,000	\$ -	\$ (1,075,000)	\$ 2,260,000	\$ 1,110,000
Dog Shelter Renovation Refunding	872,000	-	(83,000)	789,000	81,000
<i>Total General Obligation Bonds- Unvoted</i>	<u>4,207,000</u>	<u>-</u>	<u>(1,158,000)</u>	<u>3,049,000</u>	<u>1,191,000</u>
<i>Special Assessment Bonds:</i>					
Windpoint Reserve, McMackin, South Ridge,					
Shepard, Baldwin, Althea, Dormae Roads	235,000	-	(115,000)	120,000	120,000
Mount Royal, Spring Lake, Spring Lake Loop	140,000	-	(45,000)	95,000	45,000
Route 20 East of Lane, Perry Village, Ashview,					
Meadow Wood, Perry Park	740,000	-	(110,000)	630,000	115,000
Maple Street	245,000	-	(30,000)	215,000	30,000
Kirtland Sanitary Sewer	2,734,406	-	(97,657)	2,636,749	100,913
<i>Total Special Assessment Bonds:</i>	<u>4,094,406</u>	<u>-</u>	<u>(397,657)</u>	<u>3,696,749</u>	<u>410,913</u>
<i>Other Long-Term Obligations:</i>					
OPWC-Mill-Morr Drive, Ravenna Road	29,067	-	(14,534)	14,533	14,533
OPWC-River Road Safety Improvement	205,800	-	(29,400)	176,400	29,400
OPWC-Blasé Nemeth Widening	3,054	-	(555)	2,499	555
OPWC-Vrooman Road-State Route 86	32,818	-	(5,470)	27,348	5,470
OPWC-Auburn and Hardy Roads	7,932	-	(793)	7,139	793
OPWC-Hoose Road/Andrea Bridge Improvements	90,000	-	(15,000)	75,000	15,000
OPWC-Vrooman Road Bridge Improvements	-	1,500,000	(37,500)	1,462,500	75,000
Unamortized Premium on Debt Issues	198,934	-	(64,124)	134,810	-
Notes Payable***	10,251,597	-	(10,251,597)	-	-
Leases	4,048,995	-	(561,665)	3,487,330	530,820
Subscriptions Payable	-	3,012,779	(536,312)	2,476,467	479,400
Compensated Absences	10,397,617	2,056,070	(986,275)	11,467,412	1,006,797
<i>Total Other Long-Term Obligations</i>	<u>25,265,814</u>	<u>6,568,849</u>	<u>(12,503,225)</u>	<u>19,331,438</u>	<u>2,157,768</u>
<i>Total Before Net Pension & OPEB Liabilities</i>	<u>33,567,220</u>	<u>6,568,849</u>	<u>(14,058,882)</u>	<u>26,077,187</u>	<u>3,759,681</u>
<i>Net Pension Liability:</i>					
OPERS	44,088,362	107,476,680	-	151,565,042	-
STRS	1,244,470	-	(7,881)	1,236,589	-
<i>Total Net Pension Liability</i>	<u>45,332,832</u>	<u>107,476,680</u>	<u>(7,881)</u>	<u>152,801,631</u>	<u>-</u>
<i>Net OPEB Liability:</i>					
OPERS	-	2,963,147	-	2,963,147	-
<i>Total Governmental Long-Term Obligations</i>	<u>\$ 78,900,052</u>	<u>\$ 117,008,676</u>	<u>\$ (14,066,763)</u>	<u>\$ 181,841,965</u>	<u>\$ 3,759,681</u>

***See Note I for detail on the long-term notes payable.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE H – LONG-TERM DEBT (CONTINUED)

<i>Business-Type Activities:</i>	Restated Balance 12/31/22	Additions	Deductions	Balance 12/31/23	Due in One Year
<i>Self Supporting General Obligation Bonds Payable from Enterprise Funds</i>					
<i>G.O. Bonds Payable from Wastewater Revenues</i>					
Kirtland Sanitary Sewer 284S	\$ 1,465,594	\$ -	\$ (52,343)	\$ 1,413,251	\$ 54,087
<i>Total G.O. Bonds Payable from Wastewater</i>	<u>1,465,594</u>	<u>-</u>	<u>(52,343)</u>	<u>1,413,251</u>	<u>54,087</u>
<i>OWDA Loan Payable from Wastewater Revenues</i>					
Madison Township WWTP Expansion	10,857,688	-	(528,479)	10,329,209	543,059
<i>Total OWDA Loan Payable from Wastewater</i>	<u>10,857,688</u>	<u>-</u>	<u>(528,479)</u>	<u>10,329,209</u>	<u>543,059</u>
<i>OWDA Loans Payable from Water Revenues</i>					
Aquarius Water Treatment Plant	428,404	-	(6,158)	422,246	28,150
<i>Total OWDA Loans Payable</i>	<u>11,286,092</u>	<u>-</u>	<u>(534,637)</u>	<u>10,751,455</u>	<u>571,209</u>
<i>Other Long-Term Liabilities:</i>					
<i>Payable from Wastewater</i>					
City of Willoughby Hills	63,474	-	(31,260)	32,214	32,214
OPWC - Mentor Headlands San Sewer Replacement	49,936	-	(7,136)	42,800	7,136
OPWC - Dundee Glasgow & Kelso Sewer	5,322	-	(280)	5,042	280
OPWC - Bellflower Area Outlet Sewer Replace	26,250	-	(2,500)	23,750	2,500
OPWC - Glyco Forcemain Replacement	33,750	-	(2,500)	31,250	2,500
OPWC - Cedar Park Woodland Sewer Phase II	174,977	-	(12,498)	162,479	12,498
OPWC - Mentor Marsh Sanitary Interceptor Replace.	40,000	-	(2,500)	37,500	2,500
OPWC - Deerfield Relief Sewer	127,500	-	(7,500)	120,000	7,500
OPWC - Prouty & Glyco Rehab	127,500	-	(7,500)	120,000	7,500
OPWC - Lakeshore Trunk Sewer	84,533	10,617	(4,757)	90,393	4,757
OPWC - Trunk Sewer Rehabilitation Phase II	-	117,687	-	117,687	3,312
OPWC - Bellflower Area Sanitary Sewer Improvement	-	90,563	(222)	90,341	444
<i>Total Other Long-Term Payable from Wastewater</i>	<u>733,242</u>	<u>218,867</u>	<u>(78,653)</u>	<u>873,456</u>	<u>83,141</u>
<i>Payable from Water</i>					
OPWC - Hubbard Road Waterline	24,774	-	(2,477)	22,297	2,477
OPWC - Lakeshore Boulevard Waterline	158,625	-	(11,750)	146,875	11,750
OPWC - Johnny Cake Ridge Road Waterline	71,326	-	(4,919)	66,407	4,919
OPWC - Nan Linn Road Waterline Project	88,857	-	(5,923)	82,934	5,923
OPWC - Strawberry Lane Waterline Replacement	29,774	-	(1,860)	27,914	1,860
OPWC - Erie Street Waterline & Pavement Replacement	131,250	-	(7,500)	123,750	7,500
OPWC - Mantle Road Waterline	146,250	-	(7,500)	138,750	7,500
<i>Total Other Long-Term Payable from Water</i>	<u>650,856</u>	<u>-</u>	<u>(41,929)</u>	<u>608,927</u>	<u>41,929</u>
<i>Total Other Long-Term Obligations</i>	<u>1,384,098</u>	<u>218,867</u>	<u>(120,582)</u>	<u>1,482,383</u>	<u>125,070</u>
<i>Total G.O. Bonds, OWDA and OPWC Loans</i>	<u>14,135,784</u>	<u>218,867</u>	<u>(707,562)</u>	<u>13,647,089</u>	<u>750,366</u>
Notes Payable***	7,515,472	5,720,054	(7,538,510)	5,697,016	5,697,016
Landfill Closure and Postclosure Costs	17,647,402	1,235,318	-	18,882,720	-
Compensated Absences	2,135,967	34,277	(200,592)	1,969,652	172,928
<i>Total Before Net Pension Liability</i>	<u>41,434,625</u>	<u>7,208,516</u>	<u>(8,446,664)</u>	<u>40,196,477</u>	<u>6,620,310</u>
Net Pension Liability	6,670,495	14,597,942	-	21,268,437	-
Net OPEB Liability	-	415,805	-	415,805	-
<i>Total Net Pension & OPEB Liabilities</i>	<u>6,670,495</u>	<u>15,013,747</u>	<u>-</u>	<u>21,684,242</u>	<u>-</u>
<i>Total Business-Type Long-Term Obligations</i>	<u>\$ 48,105,120</u>	<u>\$ 22,222,263</u>	<u>\$ (8,446,664)</u>	<u>\$ 61,880,719</u>	<u>\$ 6,620,310</u>

***See Note I for detail on the long-term notes payable.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE H – LONG-TERM DEBT (CONTINUED)

Principal and interest requirements to retire the County's long-term obligations outstanding at December 31, 2023 are as follows:

Governmental Activities

Year	General Obligation Bonds		Special Assessment Bonds		Other Long-Term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,191,000	\$ 91,961	\$ 410,913	\$ 147,041	140,751	\$ -
2025	1,234,000	51,790	309,168	127,640	126,218	-
2026	86,000	10,171	267,423	113,787	126,218	-
2027	89,000	8,769	275,678	102,074	126,218	-
2028	86,000	7,319	293,934	89,863	125,940	-
2029-2033	363,000	14,929	681,283	332,068	407,572	-
2034-2038	-	-	755,217	214,381	375,000	-
2039-2043	-	-	703,133	67,139	337,502	-
Total	<u>\$ 3,049,000</u>	<u>\$ 184,939</u>	<u>\$ 3,696,749</u>	<u>\$ 1,193,993</u>	<u>\$ 1,765,419</u>	<u>\$ -</u>

Business-Type Activities

Year	General Obligation Bonds		O.W.D.A Loans		Other Long-Term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 54,087	\$ 49,891	\$ 571,209	\$ 279,326	\$ 124,626	\$ 734
2025	55,832	48,066	586,190	264,344	95,725	-
2026	57,577	46,181	601,585	248,949	95,725	-
2027	59,322	44,238	617,405	233,129	95,725	-
2028	61,066	42,162	633,661	216,873	95,725	-
2029-2033	343,717	176,857	3,428,286	824,385	446,360	-
2034-2038	404,783	114,904	3,907,484	345,187	344,142	-
2039-2043	376,867	35,986	405,635	5,557	94,014	-
Total	<u>\$ 1,413,251</u>	<u>\$ 558,285</u>	<u>\$ 10,751,455</u>	<u>\$ 2,417,750</u>	<u>\$ 1,392,042</u>	<u>\$ 734</u>

Business-Type Activities OPWC-Bellflower Area Sanitary Sewer Improvement (other long-term debt) project is not complete and therefore loan amortization is not available as of December 31, 2023 and not included in the above schedules.

As of December 31, 2023, the County had five active leases. The leases have payments that range from \$11,801 to \$440,004 and interest rates that range from 0.238 percent to 1.161 percent. As of December 31, 2023, the total combined value of the lease liability is \$3,487,330. The combined value of the right to use asset, as of December 31, 2023 of \$4,549,848 with accumulated amortization of \$1,097,888.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE H – LONG-TERM DEBT (CONTINUED)

The following is a schedule of the future lease payments:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2024	\$ 530,820	\$ 36,943	\$ 567,763
2025	463,627	31,536	495,163
2026	468,940	26,224	495,164
2027	474,314	20,850	495,164
2028	465,948	15,426	481,374
2029 - 2031	1,083,681	16,327	1,100,008
	<u>\$ 3,487,330</u>	<u>\$ 147,306</u>	<u>\$ 3,634,636</u>

On April 19, 2023, the County entered into a 72-month subscription for the use of Dell - Enterprise Office365 License Subscription. The County is required to make annual fixed payments of \$525,312. The subscription has an interest rate of 2.3 percent. The County has one extension option each for 36 months.

On October 1, 2023, the County entered into a 36-month subscription for the use of Debtbook. The County is required to make annual fixed payments of \$11,000. The subscription has an interest rate of 3.631 percent.

An initial total subscription liability was recorded in the amount of \$3,012,779. As of December 31, 2023, the value of the subscription liability is \$2,476,467. The value of the right to use assets as of December 31, 2023 are \$3,012,779 with accumulated amortization of \$350,334.

The following is a schedule of the future lease payments:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2024	\$ 479,400	\$ 57,912	\$ 537,312
2025	491,697	46,615	538,312
2026	490,297	35,015	525,312
2027	501,701	23,611	525,312
2028	513,372	11,941	525,313
	<u>\$ 2,476,467</u>	<u>\$ 175,094</u>	<u>\$ 2,651,561</u>

Unvoted general obligation bonds issued for governmental purposes of the County will be retired from the debt service fund using unvoted general property tax revenue. General obligation bonds issued for enterprise fund purposes will be retired from charges for services in the enterprise funds. Special assessment debt will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the County. Special assessment bonds are not included in capital assets, net of related debt for governmental activities since the debt is being used to pay for business-type capital assets.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE H – LONG-TERM DEBT (CONTINUED)

In 2013, the County issued \$9,435,000 in general obligation bonds for a current refunding of \$9,160,000 in outstanding bonds of the 2005 County building improvement and refunding series. The refunding was undertaken to reduce future debt service payments. The current refunding in 2013, resulted in a decrease in the County's debt service payments in the amount of \$1,173,097. Proceeds of \$10,048,114 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. At December 31, 2023, \$2,400,000 of these bonds are considered defeased. Accordingly, the trust account assets and the liability for this defeased bond issue are not included in the County's financial statements. The County also incurred an economic gain (difference between the present value of the old debt and new debt service payments) of \$1,025,614 on this refunding.

In 2021, the County issued \$952,000 in County Building Improvement Refunding Bonds, Series 2021 for a refunding of \$920,000 in outstanding bonds of the 2007 dog shelter renovation bonds. The refunding was undertaken to reduce future debt service payments. Proceeds of \$924,217 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for this defeased bond issue are not included in the County's financial statements. The County also incurred an economic gain (difference between the present value of the old debt and new debt service payments) of \$155,875 on this refunding.

Ohio Water Development Authority (OWDA) loans are direct obligations of the enterprise funds. Administration of principal and interest is managed directly by the Department of Utilities. The loans are secured by the assets to which they are related. The OWDA loans are retired from user fees. During 2023, the County did not issue any additional OWDA loans.

Other long-term obligations consist of an agreement with the City of Willoughby Hills whereby the County acquired various land and plant facilities from the City. In exchange, the County has agreed to pay directly to the City, when due, amounts sufficient to service the City's long-term debt funding requirements relating to the assets acquired. This obligation, amounting to \$32,214 as of the balance sheet date, is to be financed from wastewater revenues. The agreement further provides for the reconveyance of the assets and the responsibility for servicing the related indebtedness to the City in the event disposition of such by the County is desired or found necessary.

Additional other long-term obligations are interest-free loans from the Ohio Public Works Commission. Six are for governmental activities for road repairs and fifteen are for business-type activities, nine for wastewater system improvements and seven for water system improvements.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE H – LONG-TERM DEBT (CONTINUED)

The compensated absence liability will be paid from the fund that the employees' salaries are paid. These funds include the following: General, DD Board, Public Assistance, Children Services, Child Support Enforcement, Felony Delinquent Care and Custody, Senior Citizens Levy, Auto License and Gasoline Tax, Municipal Street Improvement and Construction, Engineer's Stormwater Maintenance, ADAMHS Board, Dog and Kennel, Narcotics Agency, Forensic Crime Laboratory, Emergency Management Agency, Prosecutor's 4-D, Prosecutor's Victim/Witness Assistance, Prosecutor's Delinquent Tax Collection, Common Pleas Court Special Project #1, Common Pleas Court Special Project #2, Jail Reduction Grant, Pilot Probation Grant, Domestic Relations Court 4-D, Juvenile Court IV-D, Certificate of Title Administration, Sheriff's Drug/Alcohol Treatment, Sheriff's Concealed Weapons, Telecommunications, Real Estate Assessment, Law Library, Probate Court Computerization, Community Development Block Grant, Home Program, Recorder's Equipment, Hotel/Motel, Geographic Information System, Treasurer's Delinquent Tax Collection, Water, Wastewater, Solid Waste, Central Purchasing and Hospitalization.

Employees earn 15 days of sick leave per year. Upon retirement or resignation, employees with 10 years of service are compensated for unused sick leave based on the total number of hours accumulated and the County's conversion schedule. Vacation time is vested for employees after a minimum of one year of service. According to State law, vacation time may be accumulated up to 3 years. Unused vacation time, unpaid overtime and unused compensatory time are payable upon termination of employment. All sick, vacation and compensatory time payments are made at the employee's current wage rate.

The County has pledged future wastewater revenues to repay OWDA loans and OPWC loans. All of the debt is solely payable from net revenues and are payable through 2041. The total principal remaining to be paid on the wastewater debt is \$11,202,665. Principal and interest paid for the year for the wastewater debt was \$822,384, total net revenues were \$7,932,085 and total revenues were \$21,163,775.

The County has pledged future water revenues to repay OWDA and OPWC loans. All of the debt is solely payable from net revenues and are payable through 2039. The total principal remaining to be paid on the water debt is \$1,031,173. Principal paid for the year for the water debt was \$48,087, total net revenues were \$6,288,741 and total revenues were \$19,009,715.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. At December 31, 2023, the County had an unvoted debt margin of \$68.5 million and a direct debt margin of \$178.3 million.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE I –NOTES PAYABLE

A summary of the short-term governmental note transactions for the year ended December 31, 2023 follows:

YEAR ISSUED	PURPOSE/ DESCRIPTION	FINAL MATURITY	INTEREST RATE	BALANCE JAN. 1, 2023	PRINCIPAL ISSUED IN 2023	PRINCIPAL RETIRED IN 2023	BALANCE DEC. 31, 2023
<i>Governmental Activities:</i>							
2023	Road Improvements	2023	4.00%	-	9,250,000	\$ (9,250,000)	\$ -
2023	Road Improvements	2024	4.00%	-	8,500,000	-	8,500,000
2023	Premium on Note Issuances	n/a	n/a	-	42,205	(8,120)	34,085
Total Notes Payable from Governmental-type Activities				<u>\$ -</u>	<u>\$ 17,792,205</u>	<u>\$ (9,258,120)</u>	<u>\$ 8,534,085</u>

A summary of the long-term governmental note transactions for the year ended December 31, 2023 follows:

YEAR ISSUED	PURPOSE/ DESCRIPTION	FINAL MATURITY	INTEREST RATE	BALANCE JAN. 1, 2023	PRINCIPAL ISSUED IN 2023	PRINCIPAL RETIRED IN 2023	BALANCE DEC. 31, 2023
<i>Governmental Activities:</i>							
2022	Road Improvements	2023	0.50%	\$ 10,250,000	\$ -	\$ (10,250,000)	\$ -
2022	Premium on Note Issuances	n/a	n/a	1,597	-	(1,597)	-
Total Notes Payable from Governmental-type Activities				<u>\$ 10,251,597</u>	<u>\$ -</u>	<u>\$ (10,251,597)</u>	<u>\$ -</u>

The notes payable (Bond Anticipation Notes) from governmental funds were used to fund the administration building project and motor vehicle purchase. These notes proceeds were accounted for in Nonmajor governmental funds.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE I – NOTES PAYABLE (CONTINUED)

A summary of business-type note transactions for the year ended December 31, 2023 follows:

YEAR ISSUED	PURPOSE/ DESCRIPTION	FINAL MATURITY	INTEREST RATE	BALANCE JAN. 1, 2023	PRINCIPAL ISSUED IN 2023	PRINCIPAL RETIRED IN 2023	BALANCE DEC. 31, 2023
<i>Business-Type Activities:</i>							
<u>NOTES PAYABLE FROM ENTERPRISE FUNDS:</u>							
<u>Payable From Water Fund:</u>							
2022	Water District Improvement - 383W	2023	1.25%	\$ 1,650,000	\$ -	\$ (1,650,000)	\$ -
2023	Water District Improvement - 383W	2024	4.375%	-	1,300,000	-	1,300,000
2022/2023	Premium on Note Issuance	n/a	n/a	205	10,101	(9,885)	421
Total Notes Payable From Water Fund				<u>1,650,205</u>	<u>1,310,101</u>	<u>(1,659,885)</u>	<u>1,300,421</u>
<u>Payable From Wastewater Fund:</u>							
2022	Sewer District Improvement - 336S	2023	4.00%	1,875,000	-	(1,875,000)	-
2022	Sewer District Improvement - 408S	2023	4.00%	660,000	-	(660,000)	-
2022	Sewer District Improvement - 415S	2023	2.50%	1,680,000	-	(1,680,000)	-
2022	Sewer District Improvement - 382S	2023	1.25%	1,650,000	-	(1,650,000)	-
2023	Sewer District Improvement - 336S	2024	4.625%	-	1,500,000	-	1,500,000
2023	Sewer District Improvement - 408S	2024	4.625%	-	330,000	-	330,000
2023	Sewer District Improvement - 415S	2024	4.25%	-	1,260,000	-	1,260,000
2023	Sewer District Improvement - 382S	2024	4.375%	-	1,300,000	-	1,300,000
2022/2023	Premium on Note Issuance	n/a	n/a	267	19,953	(13,625)	6,595
Total Notes Payable From Wastewater Fund				<u>5,865,267</u>	<u>4,409,953</u>	<u>(5,878,625)</u>	<u>4,396,595</u>
TOTAL NOTES PAYABLE FROM ENTERPRISE FUNDS				<u>\$ 7,515,472</u>	<u>\$ 5,720,054</u>	<u>\$ (7,538,510)</u>	<u>\$ 5,697,016</u>

The notes payable (Bond Anticipation Notes) from enterprise funds were used to finance various utility Water and Wastewater infrastructure improvements. These notes are accounted for in the Water and Wastewater funds.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability (Asset)

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

The net pension liability reported on the statement of net position represents a liability 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.

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

The County's share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting.

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.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

GASB 68 assumes the 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 is presented as a long-term *net pension liability* on the accrual basis of accounting. A liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on the accrual basis of accounting.

Ohio Public Employees Retirement System (OPERS)

Plan Description – The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members of the County may elect the member-directed plan and the combined plan, substantially all employees are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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' Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits, including requirements for reduced and unreduced benefits):

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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

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. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional 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. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to 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 percent. Cost-of-living adjustments for OPERS members in 2022 will be 3 percent for all those eligible to receive the annual benefit increase.

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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 member's investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitation), 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.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	<u>State and Local</u>
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2023 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	<u>0.0</u>
Total Employer	<u>14.0 %</u>
 Employee	<u>10.0 %</u>

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

** These pension and employer health care rates are for the traditional plan. Beginning July 1, 2022, the employer contribution rate for the combined plan is allocated 2 percent health care with the remainder going to pension. The employer contributions rate for the member-directed plan allocated 4 percent for health care with remainder going to pension.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2023 for the Traditional plan. The portion of the employer's contribution allocated to health care was 2% for the Combined plan and 4% for the Member-Directed plan for 2023. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contributions was \$13,144,736 for fiscal year ending December 31, 2023.

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

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

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.583408%	0.603543%
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.585082%	0.622781%
Change in Proportionate Share	0.001674%	0.019238%
Proportionate Share of the Net Pension Liability	\$ 172,833,479	\$ -
Proportionate Share of the Net Pension (Asset)	\$ -	\$ (1,467,831)
Pension Expense	\$ 23,932,583	\$ 184,989

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 49,262,974	\$ 534,938	\$ 49,797,912
Differences between expected and actual experience	5,740,803	90,240	5,831,043
Changes of assumptions	1,825,864	97,180	1,923,044
Changes in proportion and differences between County contributions and proportionate share of contributions	965,783	59,273	1,025,056
County contributions subsequent to the measurement date	12,812,938	331,798	13,144,736
Total Deferred Outflows of Resources	<u>\$ 70,608,362</u>	<u>\$ 1,113,429</u>	<u>\$ 71,721,791</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 209,740	\$ 209,740
Changes in proportion and differences between County contributions and proportionate share of contributions	1,361,672	96,162	1,457,834
Total Deferred Inflows of Resources	<u>\$ 1,361,672</u>	<u>\$ 305,902</u>	<u>\$ 1,667,574</u>

\$13,144,736 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 or increase to the net pension asset in the year ending December 31, 2024. 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 Traditional Pension Plan	OPERS Combined Pension Plan	Total
Year Ending December 31:			
2024	\$ 6,240,488	\$ 18,510	\$ 6,258,998
2025	11,560,331	94,542	11,654,873
2026	14,500,493	130,124	14,630,617
2027	24,132,440	224,904	24,357,344
2028	-	(6,505)	(6,505)
Thereafter	-	14,154	14,154
Total	<u>\$ 56,433,752</u>	<u>\$ 475,729</u>	<u>\$ 56,909,481</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions applied to all periods included in the measurement, in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

	<u>Traditional Pension Plan</u>	<u>Combined Plan</u>
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple	3 percent, simple through 2022, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, 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 investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the 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, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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

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

County's proportionate share of the net pension liability/(asset)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Pension Plan	\$ 258,898,785	\$ 172,833,479	\$ 101,242,589
Combined Plan	\$ (766,021)	\$ (1,467,831)	\$ (2,024,038)

STATE TEACHERS RETIREMENT SYSTEM (STRS)

Plan Description - County licensed teachers and other faculty members participate in the State Teachers Retirement System of Ohio (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 Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit and at least age 60.

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

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

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

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

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS was \$108,583 for the fiscal year ended June 30, 2023.

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

The net pension liability was measured as of June 30, 2023, 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 projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>STRS</u>
Proportion of the Net Pension Liability	
Prior Measurement Date	0.00559812%
Proportion of the Net Pension Liability	
Current Measurement Date	<u>0.00574225%</u>
Change in Proportionate Share	<u>0.00014413%</u>
Proportionate Share of the Net	
Pension Liability	\$1,236,589
Pension Expense	\$273,461

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>STRS</u>
Deferred Outflows of Resources	
Differences between expected and actual experience	\$ 45,082
Change of Assumptions	101,840
Change in proportionate share and difference between County contributions and proportionate share of contributions	254,363
County contributions subsequent to the measurement date	<u>108,583</u>
Total Deferred Outflows of Resources	<u><u>\$ 509,868</u></u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 2,744
Changes of Assumptions	76,656
Net difference between projected and actual earnings on pension plan investments	3,708
Change in proportionate share and difference between County contributions and proportionate share of contributions	<u>62,376</u>
Total Deferred Inflows of Resources	<u><u>\$ 145,484</u></u>

\$108,583 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>STRS</u>
Fiscal Year Ending December 31:	
2024	\$189,397
2025	(35,019)
2026	115,442
2027	<u>(14,019)</u>
Total	<u><u>\$255,801</u></u>

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Projected Salary Increases	Varies by service from 2.5% to 8.5%
Investment Rate of Return	7.00 Percent, Net of Investment Expenses, Including Inflation
Discount Rate of Return	7.00 Percent
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

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

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

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – DEFINED BENEFIT PENSION PLANS (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

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 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current assumption:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 1,901,602	\$ 1,236,589	\$ 674,172

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net OPEB Liability/Asset

The net OPEB liability/asset reported on the statement of net position represents a liability or asset to 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.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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. Ohio Revised Code limits the County's obligation for this liability/asset to annually 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 that any 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. 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 unfunded and funded benefits are presented as a long-term *net OPEB liability or net OPEB asset* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description—Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Effective January 1, 2022 the Combined Plan is no longer available for member selection.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

Currently, Medicare-eligible retirees can select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses, and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA.

For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

The base HRA allowance is determined by OPERS. Retirees receive a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance.

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

1. Medicare Retirees – Medicare-eligible with a minimum of 20 years of qualifying service credit.
2. Non-Medicare Retirees – Non-Medicare retirees qualify based on the following age-and-service criteria:
 - a. Group A – 30 years of qualifying service credit at any age;
 - b. Group B – 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
 - c. Group C – 32 years of qualifying service credit and minimum age 55; or,
 - d. A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service. Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Retirement Date	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
December 1, 2014 or Prior	Any	10	Any	10	Any	10
January 1, 2015 through December 31, 2021	60	20	52	31	55	32
	Any	30	Any	32	60	20

Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an OPEB as described in GASB Statement No. 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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.

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by Systems' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of covered payroll. In 2023, local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by Ohio Revised Code. Active member contributions do not fund health care.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate employer contributions to health care for members in the Traditional Pension Plan. Effective July 1, 2022, OPERS began allocating 2.0 percent of the employer contribution rate to health care funding for the Combined Plan. 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 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$161,752 for 2023.

OPEB Liabilities, 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, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability/asset was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the Net OPEB Asset	
Prior Measurement Date	0.575020%
Proportion of the Net OPEB Liability	
Current Measurement Date	<u>0.576127%</u>
Change in Proportionate Share	<u>0.001107%</u>
Proportionate Share of the Net OPEB Liability	\$ 3,378,952
OPEB Expense	\$ (6,104,768)

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 6,710,721
Changes of assumptions	3,300,299
Changes in proportion and differences between County contributions and proportionate share of contributions	43,924
County contributions subsequent to the measurement date	<u>161,752</u>
Total Deferred Outflows of Resources	<u><u>\$ 10,216,696</u></u>
Deferred Inflows of Resources	
Differences between expected and actual experience	842,843
Changes of assumptions	271,560
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>185,231</u>
Total Deferred Inflows of Resources	<u><u>\$ 1,299,634</u></u>

\$161,752 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>
Year Ending December 31:	
2024	\$ 985,129
2025	2,435,728
2026	2,092,620
2027	<u>3,241,833</u>
Total	<u><u>\$ 8,755,310</u></u>

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (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 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, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	2.75 percent
Projected Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent, including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent, including wage inflation
Single Discount Rate:	
Current Measurement Date:	5.22 percent
Prior Measurement Date:	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current Measurement Date:	4.05 percent
Prior Measurement Date:	1.84 percent
Health Care Cost Trend Rate	
Current Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2036
Prior Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2034

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

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00 %</u>	

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

Discount Rate. A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB asset on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
County's proportionate share of the net OPEB liability	\$ 11,500,414	\$ 3,378,952	\$ (3,322,580)

Sensitivity of the County's Proportionate Share of the Net OPEB Liability 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 liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (CONTINUED)

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 percent in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate Assumption</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$ 3,167,169	\$ 3,378,952	\$ 3,617,325

STATE TEACHERS RETIREMENT SYSTEM (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

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

The net OPEB asset was measured as of June 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB 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:

	<u>STRS</u>
Proportion of the Net OPEB Asset	
Prior Measurement Date	0.00559812%
Proportion of the Net OPEB Asset	
Current Measurement Date	<u>0.00574225%</u>
Change in Proportionate Share	<u><u>0.00014413%</u></u>
 Proportionate Share of the Net OPEB Asset	 (\$111,678)
OPEB Expense	(\$6,204)

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>STRS</u>
Deferred Outflows of Resources	
Differences between expected and actual experience	\$174
Net difference between projected and	
actual earnings on pension plan investments	201
Change of Assumptions	16,452
Change in Proportionate Share	<u>3,656</u>
Total Deferred Outflows of Resources	<u><u>\$20,483</u></u>
 Deferred Inflows of Resources	
Differences between expected and actual experience	\$17,032
Change of Assumptions	73,684
Change in Proportionate Share	<u>2,085</u>
Total Deferred Inflows of Resources	<u><u>\$92,801</u></u>

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

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

	<u>STRS</u>
Fiscal Year Ending June 30:	
2024	(\$32,416)
2025	(14,562)
2026	(4,640)
2027	(7,817)
2028	(7,221)
Thereafter	<u>(5,662)</u>
Total	<u><u>(\$72,318)</u></u>

Actuarial Assumptions - STRS

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

Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Payroll Increases	3 percent	
Cost-of-Living Adjustments	0 percent	
Discount Rate of Return	7.00 percent	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	7.50 percent	4.14 percent
Medicare	-10.94 percent	4.14 percent
Prescription Drug		
Pre-Medicare	-11.95 percent	4.14 percent
Medicare	1.33 percent	4.14 percent

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

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

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

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:

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

* Final Target weights reflected at October 1, 2022

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. 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 to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as of June 30, 2023 calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE K – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
(CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) (CONTINUED)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB asset	(\$94,522)	(\$111,678)	(\$126,621)
	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	(\$127,314)	(\$111,678)	(\$92,846)

NOTE L – PROPERTY TAX REVENUES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the County. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

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

Public utility tangible personal property currently is assessed at varying percentages of true value. Public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023 and are collected in 2023 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2023, was \$10.7 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

Real Property	\$7,004,095,750
Public Utility Personal Property	413,040,050
Total Assessed Value	<u><u>\$7,417,135,800</u></u>

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

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE L – PROPERTY TAX REVENUES (CONTINUED)

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Property tax receivables represent real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2023 operations. In the governmental funds, the entire receivable has been offset by deferred inflows of resources – property taxes since the current taxes were not levied to finance 2023 operations and the collection of delinquent 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 the remainder of the receivable is reported as deferred inflows of resources – unavailable revenue.

NOTE M – RECEIVABLES & REVENUES

Receivables at December 31, 2023, consisted of taxes, accounts (billings for user charged services, including unbilled utility services), special assessments, accrued interest and intergovernmental receivables arising from grants and entitlements. All receivables are considered fully collectible, including accounts receivable which, if delinquent may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

Total special assessments expected to be collected amounts to \$9,568,942, consisting of \$4,320,713 in the special assessment bond retirement fund and \$5,248,229 in Engineers' storm-water management fund. The amount of delinquent special assessments outstanding at year-end is \$404,217.

A summary of the principal intergovernmental receivables for governmental activities are as follows:

<i>Governmental Activities</i>	<i>Amount</i>
Grants, Incentives and Reimbursements	\$13,193,489
Other Intergovernmental Receipts, Including:	849,086
Motor Vehicle License Tax and Gas Tax	
Casino Revenue	
Public Defender Reimbursements	
Local Government Fund	
Charges for Services	1,319,871
Fines and Forfeitures	842,651
Internal Service	257,092
<i>Total</i>	<u><u>\$16,462,189</u></u>

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE N – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2023, consisted of the following:

Transfers From	Transfers To				Totals
	Public Safety Capital Project	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	
General	\$ 23,000,000	\$ 4,817,592	\$ 1,288,405	\$ 11,936,968	\$ 41,042,965
Developmental Disabilities Board	-	-	-	1,800,000	1,800,000
Nonmajor Special Revenue	-	5,373,995	-	-	5,373,995
Water	-	50,000	-	-	50,000
Sewer	-	50,000	-	-	50,000
<i>Transfer Totals</i>	<u>\$ 23,000,000</u>	<u>\$ 10,291,587</u>	<u>\$ 1,288,405</u>	<u>\$ 13,736,968</u>	<u>\$ 48,316,960</u>

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

NOTE O – ENCUMBRANCES

Encumbrance accounting is employed in all County funds. Encumbrances outstanding at year-end are closed to fund balance/net position and are re-appropriated at the beginning of the succeeding year.

At December 31, 2023, encumbrances outstanding in governmental funds and proprietary funds which were re-appropriated in the 2024 budget were:

General Fund	\$1,453,918
ADAMHS Board	650,572
Public Safety	3,809,308
Non-Major Special Revenue Funds	20,053,197
Non-Major Capital Projects Funds	2,113,807
Enterprise Funds	1,836,634
Non-Major Internal Service Funds	453,858
<i>Total</i>	<u>\$30,371,294</u>

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE O – ENCUMBRANCES (CONTINUED)

On the GAAP basis, a portion of these encumbrances represented accrued liabilities of the County. At December 31, 2023 encumbrances less these accrued liabilities were:

General Fund	\$829,753
ADAMHS Board	232,609
Public Safety	3,389,130
Non-Major Special Revenue Funds	17,117,569
Non-Major Capital Projects Funds	1,952,539
Enterprise Funds	960,225
Non-Major Internal Service Funds	67,587
<i>Total</i>	<u><u>\$24,549,412</u></u>

NOTE P – CONTINGENCIES, JUDGMENTS AND CLAIMS

The County is a defendant in a number of claims and lawsuits which may be classified as routine litigation in which minimal non-material damages are being sought. In addition, the County is a defendant in numerous other claims and lawsuits in which the County believes the amounts claimed to be overstated and the chance of losing these cases nominal. In the opinion of the County no material liability is anticipated.

The County participates in several federal and state assisted grants and programs that are subject to financial and compliance audits by the grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The County believes that disallowed claims, if any, will not have a material adverse effect on the County's financial position.

NOTE Q – LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and federal laws and regulations require the County to place a cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of the balance sheet date.

During 2016, Lake County was granted a permit from the Ohio Environmental Protection Agency to allow for vertical (upward) expansion at the County's Landfill. The expansion results in a capacity increase of approximately 6.5 million tons. The County's liability for landfill closure and post closure costs increased in 2023 by approximately \$1.2 million.

The \$18.9 million reported as landfill closure and post closure care liability at December 31, 2023, represents the total closure and post-closure estimate. These amounts are based on what it would cost to perform all closure and post closure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE R – ASSET RETIREMENT OBLIGATIONS

GASB Statement No. 83 “*Certain Asset Retirement Obligations*” establishes criteria for determining the recognition of a liability for an Asset Retirement Obligation (ARO). An ARO is a legally enforceable liability associated with the retirement of an intangible capital asset. Recognition of the ARO occurs when the liability is both incurred and reasonably estimable. An ARO is incurred based on external laws, regulations, or contracts.

Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the County would be responsible to address any public safety issues associated with their sewage treatment facilities 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 the Ohio EPA to dispose of all or part of their sewage treatment plants. Due to the lack of specific legal requirements for retiring the sewage treatment plants, the County has determined that the amount of the Asset Retirement Obligation cannot be reasonably estimated.

NOTE S – RELATED PARTY TRANSACTIONS

During 2023, Lake County provided facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of programs to Deepwood Industries, Inc., (the “Employment Program”), a discretely presented component unit of Lake County. The Employment Program reported \$236,873 for such contributions, recording revenue and expenses at cost or fair value, as applicable, to the extent the contribution is related to the vocational purposes of the Employment Program.

NOTE T – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County contracted with CORSA (County Risk Sharing Authority, Inc.) for property and general liability coverage including automobiles, equipment and public officials’ liability. The County also maintains health-care benefits, as well as additional property and general liability coverage, from private carriers. There were no significant reductions in coverage in 2023 as compared to the previous year. Insurance premiums paid to private carriers during 2023 were approximately \$90k. The amount of settlements did not exceed the coverage for each of the past three years. The County pays the State Workers Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE T – RISK MANAGEMENT (Continued)

In 1999, the County Commissioners initiated a self-insurance program for medical prescription coverage only. Then in 2004, the Commissioners initiated a self-insurance program for dental coverage. The maintenance of these benefits is accounted for in the Prescription Self-Insurance and the Dental Self-Insurance funds, respectively, both of which are Internal Service funds. Incurred, but not reported, prescription claims of \$191,695 and dental claims of \$0, have been accrued based upon a review of the January, 2024 billings provided by the County Commissioners' Office.

The total claims liability of \$191,695 reported in the internal service fund at December 31, 2023, is based on the requirements of GASB Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of cost relating to incurred but not reported claims, be reported. The estimates were not affected by incremental claims adjustments expenses and do not include other allocated or unallocated claims adjustment expenses.

Changes in the funds claims liability amounts for the last three fiscal years were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
<u>Prescription:</u>				
2021	\$ 150,320	\$ 3,517,080	\$ 3,511,408	\$ 155,992
2022	155,992	4,145,598	4,100,788	200,802
2023	200,802	4,415,288	4,424,395	191,695
<u>Dental:</u>				
2021	54,468	632,448	633,467	53,449
2022	53,449	690,895	688,076	56,268
2023	56,268	741,319	797,587	-

NOTE U – PUBLIC ENTITY RISK POOLS

COUNTY RISK SHARING AUTHORITY

The County Risk Sharing Authority, Inc. (CORSAs) is a public entity risk sharing pool among sixty 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, public officials' liability, and police professional insurance.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE U – PUBLIC ENTITY RISK POOLS (Continued)

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. 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. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2023 was \$830,980. Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

NOTE V – DEFICIT FUND BALANCE

At December 31, 2023, the following funds had a deficit fund balance:

<u>Fund</u>	<u>Amount</u>
Domestic Relations Court Computer	\$16,223
Additional Motor Vehicle Tax	7,103,628

The deficit in the funds are the result of recognizing expenses on the modified accrual/accrual basis of accounting. This deficit did not exist on the cash basis of accounting. The General Fund provides operating transfers to these funds when cash is required, not when accruals occur.

There were no other material violations of finance-related legal or contractual provisions.

NOTE W – TAX INCENTIVES AND TAX ABATEMENTS

Several of the cities, villages and townships within Lake County have authorized, through the passage of public ordinances/resolutions, different real estate tax incentives.

The first of these incentives, which is authorized pursuant to Ohio Revised Code Chapter 5709, is called Tax Increment Financing Agreements (TIF's). Under a TIF, the property owner makes Payments in Lieu of Taxes (PILOT's) in the same amount as the property tax, on improvements made to the respective property since the inception of the TIF. The PILOT's are used by the respective cities, villages and townships to finance infrastructure improvements to the properties included within the TIF. The revenue derived from the PILOT's is redirected from the "normal" distribution had the TIF not been established.

With respect to County funds, none of the PILOT's are remitted to County agencies, but instead are remitted to the respective cities, villages and townships to finance the construction of the respective improvements.

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE W – TAX INCENTIVES AND TAX ABATEMENTS (CONTINUED)

The following are the amounts that would have been received by the respective County funds, for the year ended December 31, 2023, had the TIF agreements not been established and the improvements still constructed:

	<u>Amount</u>
Governmental Funds:	
General Fund	\$22,265
Developmental Disabilities Board	110,780
ADAMHS Board	33,318
Children's Services Board	22,332
Narcotics Agency Fund	5,621
Forensic Crime Laboratory Fund	14,390
Senior Citizens Levy Fund	16,668
<i>Total</i>	<u><u>\$225,374</u></u>

The second of these incentives, which is authorized pursuant to Ohio Revised Code Chapter 3735, is called Community Reinvestment Areas (CRA's). In order to establish a CRA, a city, village or township must survey the housing within its jurisdiction and determine that all or part(s) of the jurisdiction has an area(s) that has housing facilities or structures of historical significance and that repair of these facilities and/or structures is discouraged. By establishing a CRA within its jurisdiction, the respective government can offer real estate tax abatements on improvements made to such facilities and/or structures. The percentage and length of time of these abatements is negotiated by the respective government and property owner. With respect to County funds, none of the abated tax revenue is received during the duration of the abatement. The following are the amounts that would have been received by the respective County funds, for the year ended December 31, 2023, had the CRA's not been established and the improvements still constructed:

	<u>Amount</u>
Governmental Funds:	
General Fund	\$110,173
Developmental Disabilities Board	472,261
ADAMHS Board	157,534
Children's Services Board	103,711
Narcotics Agency Fund	24,791
Forensic Crime Laboratory Fund	67,250
Senior Citizens Levy Fund	78,887
<i>Total</i>	<u><u>\$1,014,607</u></u>

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE X – FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the 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 Balances	General	Developmental Disabilities Board	ADAMHS Board	American Rescue Plan Fund	Public Safety	Other Governmental Funds	Total
<i>Nonspendable</i>							
Prepaid Items	\$ 441,416	\$ 35,627	\$ 7,529	\$ -	\$ -	\$ 30,495	\$ 515,067
Materials and Supplies Inventory	-	-	-	-	-	862,917	862,917
Unclaimed Funds	339,358	-	-	-	-	-	339,358
<i>Total Nonspendable</i>	<u>780,774</u>	<u>35,627</u>	<u>7,529</u>	<u>-</u>	<u>-</u>	<u>893,412</u>	<u>1,717,342</u>
<i>Restricted for</i>							
Other Purposes	-	-	-	-	-	12,382,694	12,382,694
Debt Service	-	-	-	-	-	2,529,798	2,529,798
Capital Projects	-	-	-	-	-	37,330,358	37,330,358
Public Assistance/Human Services	-	48,386,618	-	-	-	8,156,164	56,542,782
Roads and Bridges	-	-	-	-	-	6,621,231	6,621,231
Health Programs	-	-	4,655,261	-	-	-	4,655,261
Judicial/Public Safety/Grant Programs	-	-	-	-	-	19,086,925	19,086,925
Economic Development	-	-	-	-	-	13,176,168	13,176,168
Children's Services	-	-	-	-	-	13,322,680	13,322,680
General Government Operations	-	-	-	-	-	2,342,998	2,342,998
Emergency Rental Assistance	-	-	-	-	-	602,987	602,987
Public Works	-	-	-	-	-	23,142,680	23,142,680
<i>Total Restricted</i>	<u>-</u>	<u>48,386,618</u>	<u>4,655,261</u>	<u>-</u>	<u>-</u>	<u>138,694,683</u>	<u>191,736,562</u>
<i>Committed to</i>							
Central Communications	5,209,445	-	-	-	-	-	5,209,445
Budget Stabilization	9,042,400	-	-	-	-	-	9,042,400
Employee Payroll	14,900,000	-	-	-	-	-	14,900,000
Capital Projects	-	-	-	-	58,719,765	13,017,252	71,737,017
<i>Total Committed</i>	<u>29,151,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,719,765</u>	<u>13,017,252</u>	<u>100,888,862</u>
<i>Assigned to</i>							
Subsequent Year Appropriations	473,166	-	-	-	-	-	473,166
Encumbrances	820,253	-	-	-	-	-	820,253
Claimants	502,143	-	-	-	-	-	502,143
<i>Total Assigned</i>	<u>1,795,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,795,562</u>
<i>Unassigned (Deficit)</i>	<u>23,333,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,119,851)</u>	<u>16,213,361</u>
Total Fund Balances	<u>\$ 55,061,393</u>	<u>\$ 48,422,245</u>	<u>\$ 4,662,790</u>	<u>\$ -</u>	<u>\$ 58,719,765</u>	<u>\$ 145,485,496</u>	<u>\$ 312,351,689</u>

LAKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE Y – SUBSEQUENT EVENTS

Resolution awarding a bid contract in the amount of \$3,596,159 to Chivers Construction Company, Inc. for Arcola Creek Trunk Sewer project.

Resolution providing for \$2,175,000 notes for the Lake County Department of Utilities Kirtland Old Town Sanitary project.

Resolution authorizing the Lake County administrator to execute an agreement for purchase and sale for real property.

Resolution authorizing execution of an agreement between the Lake County Board of Commissioners and the Communications Workers of America, Local 4340.

Resolution awarding a bid contract in the amount of \$2,176,321 to Chivers Construction Company, Inc. for Kirtland Old Town Sanitary Improvements, Phase II project.

Resolution authorizing execution of an agreement with Cobra Systems, Inc. and the Lake County Juvenile Court for a new case management system in the amount of \$1,175,000.

Resolution tentatively awarding a contract in the amount of \$5,983,889 to J. Serverino Construction, Inc. for Red Creek Sanitary Sewer Improvements project.

Resolution awarding a bid contract to Cole Burton Contractors, LLC for the Lake County Resurfacing project.

Required Supplementary Information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.608527%	0.610915%	0.606784%	0.611008%	0.577721%	0.577721%
\$ 166,663,235	\$ 95,840,719	\$ 137,790,327	\$ 105,834,288	\$ 73,648,319	\$ 71,984,849
\$ 82,183,929	\$ 80,671,885	\$ 78,343,033	\$ 75,938,500	\$ 74,921,308	\$ 73,442,385
202.79%	118.80%	175.88%	139.37%	98.30%	98.02%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.602908%	0.616286%	0.587638%	0.638860%	0.674356%	0.674356%
\$ (674,187)	\$ (838,965)	\$ (327,062)	\$ (310,883)	\$ (259,643)	\$ (70,761)
\$ 2,578,593	\$ 2,521,808	\$ 2,287,850	\$ 2,321,758	\$ 2,465,025	\$ 2,416,369
26.15%	33.27%	14.30%	13.39%	10.53%	2.93%
126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) Ohio Public Employees Retirement System (OPERS) Last Ten Years

Traditional Plan	2023	2022	2021	2020
County's Proportion of the Net Pension Liability	0.585082%	0.583408%	0.598999%	0.596850%
County's Proportionate Share of the Net Pension Liability	\$ 172,833,479	\$ 50,758,857	\$ 88,698,711	\$ 117,971,453
County's Covered Payroll	\$ 90,673,671	\$ 84,681,221	\$ 84,354,750	\$ 83,981,950
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.61%	59.94%	105.15%	140.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%
Combined Plan	2023	2022	2021	2020
County's Proportion of the Net Pension (Asset)	0.622781%	0.603543%	0.591139%	0.589979%
County's Proportionate Share of the Net Pension (Asset)	\$ (1,467,831)	\$ (2,377,990)	\$ (1,706,403)	\$ (1,230,248)
County's Covered Payroll	\$ 2,895,614	\$ 2,740,036	\$ 2,616,643	\$ 2,620,086
County's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	50.69%	86.79%	65.21%	46.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.14%	169.88%	157.67%	145.28%

Amounts presented as of the County's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) State Teachers Retirement System (STRS) Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's Proportion of the Net Pension Liability	0.00574225%	0.00559812%	0.00565932%	0.00494500%
County's Proportionate Share of the Net Pension Liability	\$ 1,236,589	\$ 1,244,470	\$ 723,596	\$ 1,196,514
County's Covered Payroll	\$ 363,893	\$ 349,164	\$ 383,036	\$ 136,600
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	339.82%	356.41%	188.91%	875.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

Amounts presented as of the County's measurement date
which is the prior fiscal period end.

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.00011258%	0.00075259%	0.00077929%	0.00103522%	0.00227256%	0.00322436%
\$ 24,896	\$ 165,478	\$ 185,122	\$ 346,519	\$ 628,069	\$ 784,276
\$ 49,386	\$ 113,414	\$ 144,321	\$ 132,600	\$ 290,057	\$ 354,785
50.41%	145.91%	128.27%	261.33%	216.53%	221.06%
77.40%	77.31%	75.29%	66.80%	72.10%	74.70%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County Pension Contribution Ohio Public Employees Retirement System (OPERS) Last Ten Years

	2023	2022	2021	2020
<u>Contractually Required Contributions</u>				
Traditional Plan	\$ 12,812,938	\$ 12,694,314	\$ 11,855,371	\$ 11,809,665
Combined Plan	331,798	405,386	383,605	366,330
Total Required Contributions	\$ 13,144,736	\$ 13,099,700	\$ 12,238,976	\$ 12,175,995
Contributions in Relation to the Contractually Required Contribution	(13,144,736)	(13,099,700)	(12,238,976)	(12,175,995)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -
<u>County's Covered Payroll</u>				
Traditional Plan	\$ 91,520,986	\$ 90,673,671	\$ 84,681,221	\$ 84,354,750
Combined Plan	\$ 2,369,986	\$ 2,895,614	\$ 2,740,036	\$ 2,616,643
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
Traditional Plan	14.00%	14.00%	14.00%	14.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 11,757,473	\$ 11,505,750	\$ 10,487,345	\$ 9,401,164	\$ 9,112,620	\$ 8,990,557
<u>366,812</u>	<u>361,003</u>	<u>327,835</u>	<u>274,542</u>	<u>278,611</u>	<u>295,803</u>
\$ 12,124,285	\$ 11,866,753	\$ 10,815,180	\$ 9,675,706	\$ 9,391,231	\$ 9,286,360
<u>(12,124,285)</u>	<u>(11,866,753)</u>	<u>(10,815,180)</u>	<u>(9,675,706)</u>	<u>(9,391,231)</u>	<u>(9,286,360)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 83,981,950	\$ 82,183,929	\$ 80,671,885	\$ 78,343,033	\$ 75,938,500	\$ 74,921,308
\$ 2,620,086	\$ 2,578,593	\$ 2,521,808	\$ 2,287,850	\$ 2,321,758	\$ 2,465,025
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's Pension Contributions State Teachers Retirement System (STRS) Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 108,583	\$ 50,945	\$ 48,883	\$ 53,625
Contributions in Relation to the Contractually Required Contribution	<u>(108,583)</u>	<u>(50,945)</u>	<u>(48,883)</u>	<u>(53,625)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Covered Payroll	\$ 775,593	\$ 363,893	\$ 349,164	\$ 383,036
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 19,124	\$ 6,914	\$ 15,878	\$ 20,205	\$ 18,564	\$ 40,608
<u>(19,124)</u>	<u>(6,914)</u>	<u>(15,878)</u>	<u>(20,205)</u>	<u>(18,564)</u>	<u>(40,608)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 136,600	\$ 49,386	\$ 113,414	\$ 144,321	\$ 132,600	\$ 290,057
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset) Ohio Public Employees Retirement System (OPERS) Last Seven Years (1)

	2023	2022	2021	2020
County's Proportion of the Net OPEB Liability/Asset	0.535900%	0.575020%	0.588926%	0.586918%
County's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 3,378,952	\$ (18,010,507)	\$ (10,492,187)	\$ 81,068,624
County's Covered Payroll	\$ 95,883,495	\$ 89,677,163	\$ 86,971,393	\$ 86,602,036
County's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	3.52%	-20.08%	-12.06%	93.61%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	94.79%	128.23%	115.57%	47.80%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the County's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.598418%	0.600820%	0.597770%
\$ 78,019,581	\$ 65,244,626	\$ 60,376,799
\$ 84,762,522	\$ 83,193,692	\$ 80,630,883
92.04%	78.42%	74.88%
46.33%	54.14%	54.04%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset) State Teachers Retirement System (STRS) Last Seven Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's Proportion of the Net OPEB Liability/Asset	0.00574225%	0.00559812%	0.00565932%
County's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (111,678)	\$ (144,954)	\$ (119,322)
County's Covered Payroll	\$ 363,893	\$ 349,164	\$ 383,036
County's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-30.69%	-41.51%	-31.15%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	230.73%	174.73%	182.13%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

Amounts presented as of the County's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
0.00494500%	0.00011258%	0.00075259%	0.00077929%
\$ (86,908)	\$ (1,865)	\$ (12,093)	\$ 30,405
\$ 136,600	\$ 49,386	\$ 113,414	\$ 144,321
-63.62%	-3.78%	-10.66%	21.07%
174.74%	176.00%	47.11%	37.30%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County OPEB Contribution Ohio Public Employees Retirement System (OPERS) Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 161,752	\$ 92,568	\$ 90,236	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>(161,752)</u>	<u>(92,568)</u>	<u>(90,236)</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Covered Payroll	\$ 96,947,280	\$ 95,883,495	\$ 89,677,163	\$ 86,971,393
Contributions as a Percentage of Covered Payroll	0.17%	0.10%	0.10%	0.00%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ -	\$ -	\$ 896,735	\$ 1,612,618	\$ 1,565,205
-	-	(896,735)	(1,612,618)	(1,565,205)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 86,602,036	\$ 84,762,522	\$ 83,193,692	\$ 80,630,883	\$ 78,260,258
0.00%	0.00%	1.08%	2.00%	2.00%

LAKE COUNTY, OHIO

Required Supplementary Information

Schedule of the County's OPEB Contributions State Teachers Retirement System (STRS) Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution		\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Covered Payroll	\$ 775,593	\$ 363,893	\$ 349,164	\$ 383,036
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 136,600	\$ 49,386	\$ 113,414	\$ 144,321	\$ 132,600	\$ 290,057
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

LAKE COUNTY, OHIO

Notes to Required Supplementary Information For the Year Ended December 31, 2023

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2023.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2023.

LAKE COUNTY, OHIO

Notes to Required Supplementary Information For the Year Ended December 31, 2023

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing.

The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036.

STATE TEACHERS RETIREMENT SYSTEM

Net Pension Liability

Changes in benefit terms – STRS

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2023.

Changes in assumptions – STRS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017, 2019-2020, and 2022-2023. For fiscal year 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) inflation assumption lowered from 2.75% to 2.50%, (b) investment return assumption lowered from 7.75% to 7.45%, (c) total salary increases rates lowered by decreasing the merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (d) payroll growth assumption lowered to 3.00%, (e) updated the healthy and disable mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016, (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. For fiscal year 2021 the discount rate and investment rate of return changed from 7.45% to 7.00%.

LAKE COUNTY, OHIO

Notes to Required Supplementary Information For the Year Ended December 31, 2023

Net OPEB Liability

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent 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 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

For fiscal year 2020-2022, the health care cost trend rates were modified.

Changes in Benefit Terms – STRS

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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

For fiscal year 2020, 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.

For fiscal year 2021, Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. 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 fiscal year 2022, Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

LAKE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed through the Ohio Department of Education:</i>				
Nutrition Cluster:				
National School Breakfast Program	10.553	N/A		\$9,474
National School Lunch Program	10.555	N/A		15,499
Total Nutrition Cluster				<u>24,973</u>
<i>Passed through the Ohio Department of Jobs and Family Services:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	JFSCF123		5,757
		JFSCF124		40,328
		JFSCF523		58,831
		JFSCF524		2,356
		JFSCFB23		696,550
		JFSCFB24		280,492
		JFSCFI23		37,087
		JFSCFI23		34,192
				<u>1,155,593</u>
				<u><u>1,180,566</u></u>
Total - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
TOTAL U.S. DEPARTMENT OF AGRICULTURAL				
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
<i>Direct programs:</i>				
Community Development Block Grants/Entitlements Grants Cluster	14.218	CDBG-B-19-UC-39-0007		53,471
		CDBG-B-20-UC-39-00007		21,378
		CDBG-B-20-UW-39-0007		90,178
		CDBG-B-21-UC-39-0007		406,582
		CDBG-B-22-UC-39-0007		1,304,732
				<u>1,876,341</u>
Total - Community Development Block Grants/Entitlements Grants Cluster				
Shelter Plus Care	14.238	N/A	\$354,977	354,977
		N/A	259,514	259,514
Total - Shelter Plus Care			<u>614,491</u>	<u>614,491</u>
Home Investment Partnership Program	14.239	M-20-UC-39-00201		96,941
		M-21-UC-39-0201		209,717
		M-22-UC-39-0201		143,053
		M-23-UC-39-0201		7,803
		M-21-UP-39-0201		52,047
				<u>509,561</u>
Total - Home Investment Partnership Program				
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			<u><u>614,491</u></u>	<u><u>3,000,393</u></u>

LAKE COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Passed Through the Ohio Department of Public Safety:</i> Coronavirus Emergency Supplemental Funding (CESF)	16.034	2020-CE-VSF-2414		25,361
<i>Passed Through the Ohio Attorney General's Office:</i> Crime Victims Assistance	16.575	2023-VOCA-135109959 2024-VOCA-135505091		\$152,683 46,073 <u>198,756</u>
Total - Crime Victims Assistance				
Violence Against Women Formula Grants	16.588	2020-WF-VAS-8211A 2022-WF-VAS-8211		12,870 53,639 <u>66,509</u>
<i>Passed Through the Ohio Office of Criminal Justice Services:</i> Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JG-A01-6447 2022-JG-A01-6447		15,656 11,446 <u>27,102</u>
Total Edward Byrne Memorial Justice Assistance Grant Program				
<i>Passed Through the City of Mansfield Police Department</i> Forensic DNA Backlog Reduction Program	16.741	15PBJA-22-GG-01706-DNAX		261,522
<i>Passed Through the Ohio Office of Criminal Justice Services:</i> Paul Coverdell Forensic Sciences Improvement Grant	16.742	2022-PC-NFS-7802		33,308
TOTAL U.S. DEPARTMENT OF JUSTICE				<u><u><u>612,558</u></u></u>
<u>U.S. DEPARTMENT OF LABOR</u>				
<i>Passed Through the Ohio Department of Jobs and Family Services:</i> Employment Service/Wagner-Peyser Funded Activities	17.207	JFSCES22 JFSCES23		\$19,302 7,383 <u>26,685</u>
Total - Employment Service/Wagner-Peyser Funded Activities				
Unemployment Service Program	17.225	JFSCUR21 JFSCUR22 JFSCUR22 JFSCUR23		2,755 16,839 135,197 6,308 <u>161,099</u>
Total - Unemployment Service Program				

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

133

LAKE COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. FEDERAL HIGHWAY ADMINISTRATION</u> <i>Passed Through the Ohio Department of Transportation:</i> Highway Planning and Construction	20.205	PID 117510 PID 112483 PID 112509 PID 115910		\$56,048 23,227 49,042 1,405,335 <u>1,533,652</u>
Total - Highway Planning and Construction				<u><u>1,533,652</u></u>
TOTAL U.S. FEDERAL HIGHWAY ADMINISTRATION				
<u>U.S. DEPARTMENT OF TREASURY</u> <i>Passed Through the Ohio Office of Budget and Management:</i> Emergency Rental Assistance	21.023	N/A N/A		713,448 1,166,935 <u>1,880,383</u>
Total - Emergency Rental Assistance				
Coronavirus State and Local Fiscal Recovery Funds	21.027	20220127-C03 20220414-C01 JFSSSTFO DPSFE270 2022-AR-CLB-910 N/A HB33-AL1490678	318,377 2,728,360 530,354 822 250,000 81,458 15,717,897 <u>3,046,737</u>	318,377 2,728,360 530,354 822 250,000 81,458 15,717,897 <u>19,627,268</u>
Total - Coronavirus State and Local Fiscal Recovery Funds				<u><u>21,507,651</u></u>
TOTAL U.S. DEPARTMENT OF TREASURY				
<u>U.S. DEPARTMENT OF EDUCATION</u> <i>Passed Through the Ohio Department of Education:</i> Special Education Cluster Special Education: Grants to States Special Education: Preschool Grants Total Special Education Cluster	84.027 84.173	070037-6BSF-2017P 070037-PGS1-2017		42,838 10,765 53,603
<i>Passed Through the Ohio Department of Developmental Disabilities:</i> Special Education-Grants for Infants and Families	84.181	N/A	\$315,493	315,493
TOTAL U.S. DEPARTMENT OF EDUCATION			<u><u>315,493</u></u>	<u><u>369,096</u></u>

LAKE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>ELECTION ASSISTANCE COMMISSION</u>				
<i>Passed through the Ohio Secretary of State:</i>				
HAVA Elections Security Grant	90.404	N/A		\$10,000
TOTAL ELECTION ASSISTANCE COMMISSION				10,000
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed Through the Ohio Department of Mental Health:</i>				
Block Grants for Community Mental Health Services	93.958	N/A	\$139,384	139,384
		N/A	9,375	9,375
Total - Block Grants for Community Mental Health Services			\$148,759	148,759
<i>Passed Through the Ohio Department of Alcohol & Drug Addiction Services:</i>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	411,381	411,381
		N/A	336,114	336,114
		N/A	31,674	31,674
		N/A	31,674	31,674
Total - Block Grants for Prevention and Treatment of Substance Abuse			810,843	810,843
<i>Passed Through the Ohio Department of Mental Health:</i>				
Projects for Assistance in Transition from Homelessness	93.150	N/A	71,290	71,290
		N/A	49,164	49,164
Total - Projects for Assistance in Transition from Homelessness			120,454	120,454
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Promoting Safe and Stable Families	93.556	JFSCPF22		6,356
		JFSCPF23		4,382
		JFSCMC23		3,157
		JFSCMC23		316
		JFSCPF23		5,680
		JFSCPF24		5,886
		JFSCPF23		6,432
		JFSCPF24		84
Total - Promoting Safe and Stable Families				12,113
				44,406

LAKE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - (Continued)</u>				
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Temporary Assistance for Needy Families Cluster	93.558	JFSCCTF23		\$21,803
		JFSCCTF24		2,674
		JFSCCTF23		305,292
		JFSCCTF24		79,148
		JFSCCTF23		1,990
		JFSCCTF22		17,541
		JFSCCTF23		388,922
		JFSCCTF23B		2,688
		JFSCCTF21		36,802
		JFSCCTF23		1,289,098
		JFSCCTF23		1,404
				<u>2,147,362</u>
Total - Temporary Assistance for Needy Families Cluster				
Child Support Enforcement	93.563	JFSCCS23		1,456,915
		JFSCCS24		565,688
		JFSCCS23I		710
		JFSCCS16I		813
		JFSCCS23I		478,056
		JFSCCS21I		86,305
				<u>2,588,487</u>
Total - Child Support Enforcement				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	JFSCCW22		334
		JFSCCW23		67,013
		JFSCCW23		6,702
				<u>74,049</u>
Total - Stephanie Tubbs Jones Child Welfare Services Program				

LAKE COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - (Continued)				
Foster Care Title IV-E	93.658	JFSCFC23 JFSCFC24 JFSOLF23 JFSOLF24 JFSCFC23 JFSCFC24		\$1,264 721 1,685,176 454,069 218,121 77,396 <u>2,436,747</u>
Total - Foster Care Title IV-E				
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Adoption Assistance	93.659	JFSCAA24 JFSCAA23 JFSCAA24 N/A		\$371 548,027 170,928 <u>142</u> 719,468
Total - Adoption Assistance				
<i>Passed Through the Ohio Department of Mental Health:</i>				
Social Services Block Grant	93.667	N/A N/A	\$64,669 45,006 109,675	64,669 45,006 <u>109,675</u>
<i>Passed Through the Ohio Department of Developmental Disabilities (DD):</i>				
Social Services Block Grant	93.667	N/A		103,961
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Social Services Block Grant	93.667	JFSCSS23 JFSCSS24 JFSCTX23 JFSCTX24		427,578 29,641 552,843 200,000 <u>1,423,698</u>
Total - Social Services Block Grant			109,675	
<i>Passed through the Ohio Department of Jobs and Family Services:</i>				
Child Abuse and Neglect State Grant	93.669	N/A	40,000	40,000

LAKE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - (Continued)				
<i>Passed Through The Ohio Department of Jobs and Family Services:</i>				
Medical Assistance Program	93.778	MCDFMT23 MCDFMT24 MCDFMT23 MCDFMT24		\$173,306 62,160 570,709 123,631 <u>929,806</u>
Total - Medical Assistance Program				
<i>Passed Through the Ohio Department of Mental Health and Addiction Services:</i>				
State Targeted Response to the Opioid Crisis Grants	93.788	N/A N/A	\$304,346 743,374 <u>1,047,720</u>	304,346 743,374 <u>1,047,720</u>
<i>Passed Through the Ohio Department of Jobs and Family Services:</i>				
Child Care and Development Block Grant	93.575	JFSCCD23 JFSCCD23		9,760 179,715 <u>189,475</u>
Total - Child Care and Development Block Grant				
Chaffee Foster Care Independence Program	93.674	JFSCIL23 JFSCIL24		3,242 2,551 <u>5,793</u>
Total Chaffee Foster Care Independence Program				
Adult Protective Services	93.747	JFSCEB21 JFSCEA21		1,177 11,953 <u>13,130</u>
Total Adult Protective Services				
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u><u>2,268,076</u></u>	<u><u>12,740,197</u></u>

LAKE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

FEDERAL GRANTOR/ Pass-Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
<i>Direct Award:</i>				
AmeriCorps Seniors Senior Demonstration Program (FGP)	94.017	22SDCOH005		12,349
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				12,349
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through the Ohio Department of Homeland Security:</i>				
Boating Safety Financial Assistance	97.012	FAIN 70Z2323MO0000529		\$33,609
Homeland Security Grant Program	97.067	EMW-2019-SS-00024 EMW-2020-SS-00037-S01 EMW-2021-SS-00004 EMW-2022-SS-00058		87,108 105,211 68,758 30,912 291,989
Total - Homeland Security Grant Program				325,598
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				325,598
TOTAL FEDERAL AWARDS			\$3,198,060	\$43,066,503

The accompanying note is an integral part of this schedule

LAKE COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 2 CFR 200.510(b)(6) FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lake County, Ohio (the County) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

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

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

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS with REVOLVING LOAN CASH BALANCE

The current cash balance on the County's local program income account as of December 31, 2023 is \$1,180.

NOTE G - MATCHING REQUIREMENTS

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



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

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

Lake County
105 Main Street
P.O. Box 490
Painesville, Ohio 44077

To the County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Lake County, Ohio (the County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 23, 2024, wherein we noted the County restated the Net Position of its Business-Type Activities and Solid Waste Enterprise Fund to correctly record the landfill and post-closure liability at December 31, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

September 23, 2024



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

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

Lake County
105 Main Street
P.O. Box 490
Painesville, Ohio 44077

To the County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lake County's, Ohio (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Lake County's major federal programs for the year ended December 31, 2023. Lake County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Lake County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink, appearing to read "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 23, 2024

This page intentionally left blank.

LAKE COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	AL 21.027 Coronavirus State and Local Fiscal Recovery Funds (SLFRF); AL 93.658 Foster Care Title IV-E; AL 93.667 Social Services Block Grant; AL21.023 Emergency Rental Assistance
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 1,299,095 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Low Risk

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

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

OHIO AUDITOR OF STATE KEITH FABER



LAKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/26/2024

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

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

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT, dated September __, 2025 (the “Agreement”), is made, signed and delivered by the County of Lake, Ohio (the “County”), a county and political subdivision duly organized and existing under the Constitution and laws of the State of Ohio, for the benefit of the Holders and Beneficial Owners (as defined herein) from time to time of the County’s \$ _____ Sanitary Sewer Improvement Bonds, Series 2025 (the “Bonds”), authorized by a resolution adopted by the Board of Commissioners of the County on August 28, 2025 (the “Bond Resolution”).

RECITAL

The County, by adoption of the Bond Resolution, has determined to issue the Bonds to provide funds for County purposes, and Stifel Nicolaus & Company, Incorporated (the “Underwriter”) has agreed to provide those funds to the County by purchasing the Bonds. As a condition to the purchase of the Bonds from the County and the sale of Bonds to Holders and Beneficial Owners, the Underwriter is required to reasonably determine that the County has undertaken, in a written agreement for the benefit of Holders and Beneficial Owners of the Bonds, to provide certain information in accordance with the Rule (as defined herein).

NOW, THEREFORE, in accordance with the Bond Resolution, the County covenants and agrees as set forth in this Continuing Disclosure Agreement.

Section 1. Purpose of Continuing Disclosure Agreement. This Agreement is being entered into, signed and delivered for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter of the Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, as may be amended from time to time (the “Rule”).

Section 2. Definitions. In addition to the definitions set forth above, the following capitalized terms shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Reference to “Sections” shall mean sections of this Agreement.

“Annual Filing” means any Annual Information Filing provided by the County pursuant to, and as described in, Sections 3 and 4.

“Audited Financial Statements” means the audited basic financial statements of the County, prepared in conformity with generally accepted accounting principles.

“Beneficial Owner” means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“EMMA” means the Electronic Municipal Market Access system of the MSRB; information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Filing Date” means the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning September 30, 2025.

“Financial Obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the 12-month period beginning on January 1 of each year or such other 12-month period as the County shall adopt as its fiscal year.

“Holder” means, with respect to the Bonds, the person in whose name a Bond is registered in accordance with the Bond Resolution.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person” means, any person, including the issuer of municipal securities (such as the Bonds), who is generally committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Official Statement); the County is the only Obligated Person for the Bonds.

“Official Statement” means the Official Statement for the Bonds dated September 16, 2024.

“Underwriter” means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Specified Events” means any of the events with respect to the Bonds as set forth in Section 5(a).

“State” means the State of Ohio.

Section 3. Provision of Annual Information.

(a) The County shall provide (or cause to be provided) not later than the Filing Date to the MSRB an Annual Filing, which is consistent with the requirements of Section 4. The Annual Filing shall be submitted in an electronic format through EMMA, or as otherwise prescribed by the MSRB, and contain such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4; provided that the Audited Financial Statements of the County may be submitted separately from the balance of the Annual Filing and later than the Filing Date if they are not available by that date. If the County’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5.

(b) If the County is unable to provide to the MSRB an Annual Filing by the Filing Date, the County shall, in a timely manner, send a notice to the MSRB in an electronic format through EMMA, or as otherwise prescribed by the MSRB.

Section 4. Content of Annual Filing. The County’s Annual Filing shall contain or include by reference the following:

Financial information and operating data of the type included in the Official Statement under the captions: **AD VALOREM PROPERTY TAXES – Collections and Delinquencies**, together with information as to aggregate assessed valuation of the County and overlapping and County tax rates; **OTHER MAJOR GENERAL FUND REVENUE SOURCES; COUNTY DEBT AND OTHER LONG-TERM OBLIGATIONS**, including **Debt Tables**, as applicable; and **Appendices A and B**.

The Audited Financial Statements of the County utilizing generally accepted accounting principles applicable to governmental units as described in the Official Statement, except as may be modified from time to time and described in such financial statements.

The foregoing shall not obligate the County to prepare or update projections of any financial information or operating data.

Any or all of the items listed above may be included by specific reference to other documents, including annual informational statements of the County or official statements of debt issues of the County or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. The County shall clearly identify each such other document so included by reference.

Section 5. Reporting Specified Events.

(a) The County shall provide to the MSRB, in an electronic format through EMMA, or as otherwise prescribed by the MSRB, and containing such identifying information as is prescribed by the MSRB and in a timely

manner but not later than ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds, as specified by the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties; (a)
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties; (a)
- (5) Substitution of credit or liquidity providers, or their failure to perform; (a)
- (6) (Issuance of) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security (*i.e.*, the Bonds), or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
(b)
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person; *Note: For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.*
- (13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

Note:

- (a) *The County has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements or credit or liquidity providers for the Bonds.*
- (b) *Repayment of the Bonds is not secured by a lien on any property capable of release or sale or for which other property may be substituted.*

For the Specified Events described in Section 5(a) (2), (6, as applicable), (7), (8, as applicable), (10), (13), (14) and (15), the County acknowledges that it must make a determination whether such Specified Event is material under applicable federal securities laws in order to determine whether a filing is required.

Section 6. Amendments. The County reserves the right to amend this Agreement, and noncompliance with any provision of this Agreement may be waived, as may be necessary or appropriate to (a) achieve its compliance with any applicable federal securities law or rule, (b) cure any ambiguity, inconsistency or formal defect or omission and (c) address any change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature or status of the County or type of business conducted by the County. Any such amendment or waiver shall not be effective unless this Agreement (as amended or taking into account such waiver) would have materially complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the County shall have received either (i) a written opinion of bond counsel or other qualified independent special counsel selected by the County that the amendment or waiver would not materially impair the interests of Holders or Beneficial Owners or (ii) the written consent to the amendment or waiver of the Holders of at least a majority of the principal amount of the Bonds then outstanding. An Annual Filing containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided. If the amendment relates to the accounting principles to be followed in preparing Audited Financial Statements, (A) the County shall provide notice of such change in the same manner as for a Specified Event under Section 5 and (B) the Annual Filing for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements or information as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Agreement or providing any other means of communication, or including any other information in any Annual Filing or providing notice of the occurrence of an event, in addition to that which is required by this Agreement. If the County chooses to include any information in any document or notice of occurrence of an event in addition to that which is specifically required by this Agreement, the County shall have no obligation under this Agreement to update such information or include it in any future Annual Filing or notice of occurrence of a Specified Event.

Section 8. Remedy for Breach. This Agreement shall be solely for the benefit of the Holders and Beneficial Owners from time to time of the Bonds. The exclusive remedy for any breach of this Agreement by the County shall be limited, to the extent permitted by law, to a right of Holders and Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the County of its obligations under this Agreement in a court in Cuyahoga County, Ohio. Any such proceedings shall be instituted and maintained only in accordance with Section 133.25(B)(4)(b) or (C)(1) of the Revised Code (or any like or comparable successor provisions); provided that any Holder or Beneficial Owner may exercise individually any such right to require the County to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any Beneficial Owner seeking to require the County to comply with this Agreement shall first provide at least 30 days' prior written notice to the County of the County's failure, giving reasonable detail of such failure, following which notice the County shall have 30 days to comply. A default under this Agreement shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Agreement in the event of any failure of the County to comply with this Agreement shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Agreement.

Section 9. Appropriation. The performance by the County of its obligations under this Agreement shall be subject to the availability of funds and their annual appropriation to meet costs that the County would be required to incur to perform those obligations. The County shall provide notice to the MSRB in the same manner as for a Specified Event under Section 5 of the failure to appropriate funds to meet costs to perform the obligations under this Agreement.

Section 10. Termination. The obligations of the County under this Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the County remains an Obligated Person with respect to the Bonds within the meaning of the Rule. The obligation of the County to provide the information and notices of the events described above shall terminate, if and when the County no longer remains such an Obligated Person. If any person, other than the County, becomes an Obligated Person relating to the Bonds, the County shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Section 11. Dissemination Agent. The County may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the County, any dissemination agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The County shall maintain records of all Annual Filings and notices of Specified Events and other events including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure.

Section 14. Governing Law. This Agreement shall be governed by the laws of the State.

IN WITNESS WHEREOF, the County has caused this Continuing Disclosure Agreement to be duly signed and delivered to the Participating Underwriter, as part of the Bond proceedings and in connection with the original delivery of the Bonds to the Participating Underwriter, on its behalf by its officials signing below, all as of the date set forth above, and the Holders and Beneficial Owners from time to time of the Bonds shall be deemed to have accepted this Agreement made in accordance with the Rule.

COUNTY OF LAKE, OHIO

By: _____

Title:

FISCAL OFFICER'S CERTIFICATE – CONTINUING DISCLOSURE AGREEMENT

As fiscal officer of the County of Lake, Ohio, I certify that the money required to meet the obligations of the County under the foregoing Continuing Disclosure Agreement made by the County in accordance with the Rule, as set forth in the Bond Resolution and the attached Continuing Disclosure Agreement, during Fiscal Year 2025, has been lawfully appropriated by the County for those purposes and is in the County treasury or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44 of the Revised Code.

Dated: September __, 2025

Auditor
County of Lake, Ohio

APPENDIX E BOOK-ENTRY SYSTEM; DTC

Book-Entry System

The information set forth in the following numbered paragraphs is based on information provided by The Depository Trust Company in its “Sample Offering Document Language Describing DTC and Book-Entry-Only Issuance” (June 2013). As such, the County believes it to be reliable, but the County takes no responsibility for the accuracy or completeness of that information. It has been adapted to the Bond and Note issues by substituting “Obligations” for “Securities,” “County” for “Issuer” and “Registrar” for “registrar” or “Agent” and by the addition of the italicized language set forth in the text. See also the additional information following those numbered paragraphs.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Obligation certificate will be issued for each maturity of the Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *(This internet site is included for reference only, and the information in this internet site is not incorporated by reference in this Official Statement.)*

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC’s records. The ownership

interest of each actual purchaser of each Obligation (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments (*debt charges*) on the Obligations will be made to Cede & Co., or such other nominee as may be requested by an

authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments (*debt charges*) to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

(Not Applicable to the Obligations.)

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed (*or otherwise produced*) and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed (*or otherwise produced*) and delivered to DTC. (*See also* **Revision of Book-Entry System; Replacement Obligations.**)

The information (*above*) in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

The County and the Registrar have no role in the purchases, transfers or sales of book-entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisors the manner of transferring or pledging their book-entry interests.

The County and the Registrar have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The County and the Registrar cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Obligations made to DTC as the registered owner, or redemption, if any, or

other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

For all purposes under the proceedings (except the Continuing Disclosure Agreement under which others as well as DTC may be considered an owner or holder of the Obligations, see **Continuing Disclosure Agreement**), DTC will be and will be considered by the County and the Registrar to be the owner or holder of the Obligations.

Beneficial Owners will not receive or have the right to receive physical delivery of Obligations, and, except to the extent they may have rights as Beneficial Owners or holders under the Continuing Disclosure Agreement, will not be or be considered by the County and the Registrar to be, and will not have any rights as, owners or holders of Obligations under the proceedings.

Reference herein to “DTC” includes when applicable any successor securities depository and the nominee of the depository.

Revision of Book-Entry System; Replacement Obligations

The proceedings provide for issuance of fully-registered Obligations (“Replacement Obligations”) directly to owners of Obligations other than DTC only in the event that DTC (or a successor securities depository) determines not to continue to act as securities depository for the Obligations. Upon occurrence of this event, the County may in its discretion attempt to have established a securities depository book-entry relationship with another securities depository. If the County does not do so, or is unable to do so, and after the Registrar has made provision for notification of the Beneficial Owners of the Obligations by appropriate notice to DTC, the County and the Registrar will authenticate and deliver Replacement Obligations of any one maturity, in authorized denominations, to or at the direction of any persons requesting such issuance, and, if the event is not the result of County action or inaction, at the expense (including legal and other costs) of those requesting.

EXHIBIT A
PROPOSED TEXT OF LEGAL OPINIONS OF BOND COUNSEL

September __, 2025

To: Stifel Nicolaus & Company, Incorporated

We have examined the transcript of proceedings relating to the issuance by the County of Lake, Ohio (the “County”), of its \$600,000* Sanitary Sewer Improvement Bonds, Series 2025, dated September __, 2025 (the “Bonds”), and issued to pay in anticipation of the collection of special assessments, costs of constructing and installing sanitary sewer lines, together with related improvements and all necessary appurtenances thereto, comprising the Kirtland Old Town Sanitary Sewer Project 445-S. We have also examined the signed and authenticated Bond No. R-1.

Based on this examination we are of the opinion that under existing law:

1. The Bonds constitute valid and legal general obligations of the County, and the principal of and interest on the Bonds, subject to bankruptcy laws and other laws affecting creditor's rights and to the exercise of judicial discretion, are to be paid from the proceeds of the levy of ad valorem taxes, within the ten-mill limitation imposed by law, on all property subject to ad valorem taxes levied by the County.

2. The interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The interest on the Bonds, and any profit made on their sale, exchange or other disposition, are exempt from the Ohio personal income tax, the Ohio commercial activities tax, the net income base of the Ohio corporate franchise tax and municipal and school district income taxes in Ohio. We express no opinion as to any other tax consequences regarding the Bonds.

In giving the foregoing opinion with respect to the treatment of the interest on the Bonds and the status of the Bonds under federal tax laws, we have assumed and relied upon compliance with the covenants of the County and the accuracy, which we have not independently verified, of the representations and certifications of the County, all as contained in the transcript. The accuracy of those representations and certifications, and compliance by the County with those covenants, may be necessary for the interest to be and to remain excluded from gross income for federal income tax purposes and for the other federal tax effects stated above. Failure to comply with certain requirements subsequent to issuance could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to its date of issuance.

Under the Code, portions of the interest may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States and to a tax imposed on excess net passive income of certain S corporations.

September __, 2025

To: Stifel Nicolaus & Company, Incorporated

We have examined the transcript of proceedings relating to the issuance by the County of Lake, Ohio (the “County”), of its \$32,000,000 Various Purpose Improvement Notes, Series 2025, dated September __, 2025 (the “Note”), bearing interest at the rate of ____% per year, payable at maturity, maturing on September __, 2026, and issued in anticipation of the issuance of bonds for the purpose of: (i) paying a portion of the costs of constructing, equipping, furnishing and otherwise improving building facilities improvements, including any site improvements and all necessary appurtenances thereto, together comprising the County Correctional Facilities Project; and (ii) paying costs of constructing, reconstructing, paving and otherwise improving road improvements in the County, including related improvements and all necessary appurtenances thereto. We have also examined the signed and authenticated Note.

Based on this examination we are of the opinion that under existing law:

2. The Note constitutes a valid and legal general obligation of the County, and the principal of and interest on the bonds in anticipation of which the Note is issued, unless paid from other sources and subject to bankruptcy laws and other laws affecting creditor's rights and to the exercise of judicial discretion, are to be paid from the proceeds of the levy of ad valorem taxes, within the ten-mill limitation imposed by law, on all property subject to ad valorem taxes levied by the County.

3. The interest on the Note is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The interest on the Note, and any profit made on its sale, exchange or other disposition, are exempt from the Ohio personal income tax, the Ohio commercial activities tax, the net income base of the Ohio corporate franchise tax and municipal and school district income taxes in Ohio. We express no opinion as to any other tax consequences regarding the Note.

In giving the foregoing opinion with respect to the treatment of the interest on the Note and the status of the Note under federal tax laws, we have assumed and relied upon compliance with the covenants of the County and the accuracy, which we have not independently verified, of the representations and certifications of the County, all as contained in the transcript. The accuracy of those representations and certifications, and compliance by the County with those covenants, may be necessary for the interest to be and to remain excluded from gross income for federal income tax purposes and for the other federal tax effects stated above. Failure to comply with certain requirements subsequent to issuance could cause the interest on the Note to be included in gross income for federal income tax purposes retroactively to its date of issuance.

Under the Code, portions of the interest may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States and to a tax imposed on excess net passive income of certain S corporations.

Exhibit A-2