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CITY OF GALION BOARD OF HEALTH
(A COMPONENT UNIT OF THE CITY OF GALION)
CRAWFORD COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2025

CITY OF GALION BOARD OF HEALTH
CRAWFORD COUNTY

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INDEPENDENT AUDITOR'S REPORT

City of Galion Board of Health
Crawford County
301 Harding Way East
Galion, Ohio 44833

To the Board of Health:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of **City of Galion Board of Health**, Crawford County, Ohio (the Board), a component unit of the City of Galion, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Board'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, each major fund, and the aggregate remaining fund information of the City of Galion Board of Health, Crawford County, Ohio, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

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 Board'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 Board'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 Board's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net position 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2026, on our consideration of the Board'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 Board'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 Board's internal control over financial reporting and compliance.

Perry & Associates CPA's A. C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

August 3, 2026

City of Galion Board of Health
Management's Discussion and Analysis
For the Year Ended December 31, 2025
(Unaudited)

The discussion and analysis of the City of Galion Board of Health's financial performance provides an overview of the Board of Health's financial activities for the year ended December 31, 2025. The intent of this discussion and analysis is to look at the Board of Health's financial performance as a whole.

HIGHLIGHTS

Highlights for 2025 are as follows:

> The Board of Health net position at December 31, 2025, of $873,486. The Board of Health receives a substantial operating subsidy from the City of Galion annually. For 2025, this amount was $300,000.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the Board of Health's financial position.

The statement of net position and the statement of activities provide information about the activities of the Board of Health as a whole, presenting both an aggregate and a longer-term view of the Board of Health.

Fund financial statements provide a greater level of detail. These statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the Board of Health's most significant funds individually and the Board of Health's non-major funds in a single column. The Board of Health's major funds are the General Fund and the 340B Drug Pricing Program, the Workforce Development Grant, the HIV Grant, and STD Grant funds.

REPORTING THE BOARD OF HEALTH AS A WHOLE

The statement of net position and the statement of activities reflect how the Board of Health did financially during 2025. These statements include all assets and liabilities using the accrual basis of accounting similar to that used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the Board of Health's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the Board of Health as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not.

In the statement of net position and the statement of activities, the Board of Health's activities are reflected as governmental activities. The programs and services reported here consists of public health services. These services are primarily funded by charges to clients (patients), Medicare/Medicaid reimbursements, and federal and state grant programs.

REPORTING THE BOARD OF HEALTH'S MOST SIGNIFICANT FUNDS

Fund financial statements provide detailed information about the Board of Health's major funds, the General Fund and the 340B Drug Pricing Program, the Workforce Development Grant, the HIV Grant, and the STD Grant funds. While the Board of Health uses a number of funds to account for its financial transactions, these are the most significant.

The Board of Health's governmental funds are used to account for the same programs reported as governmental activities on the government-wide financial statements. All of the Board of Health's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The fund financial statements provide a detailed short-term view of the Board of Health's general government operations and the basic services being provided.

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 governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Board of Health's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the Board of Health's net position for 2025 and 2024.

Table 1
Net Position

	Governmental Activities		
	2025	2024	Change
Assets			
Current and Other Assets	$1,398,392	$1,048,572	$349,820
Net Pension Asset	0	4,626	(4,626)
Net OPEB Asset	64,009	24,408	39,601
Capital Assets, Net	22,640	4,104	18,536
Total Assets	1,485,041	1,081,710	403,331

(continued)

Table 1
Net Position

	Governmental Activities		
	2025	2024	Change
Deferred Outflows of Resources			
Pension	$160,298	$229,960	($69,662)
OPEB	2,037	21,623	(19,586)
Total Deferred Outflows of Resources	162,335	251,583	(89,248)
Liabilities			
Current and Other Liabilities	22,296	81,647	59,351
Long-Term Liabilities			
Pension	669,518	734,907	65,389
Other Amounts	57,191	48,641	(8,550)
Total Liabilities	749,005	865,195	116,190
Deferred Inflows of Resources			
Pension	12,350	14,085	1,735
OPEB	12,535	14,030	1,495
Total Deferred Inflows of Resources	24,885	28,115	3,230
Net Position			
Net Investment in Capital Assets	22,640	4,104	18,536
Restricted	1,005,961	487,167	518,794
Unrestricted (Deficit)	(155,115)	(51,288)	(103,827)
Total Net Position	$873,486	$439,983	$433,503

The net pension/OPEB liability (asset) reported by the Board of Health at December 31, 2025, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, end users of these financial statements will gain a clearer understanding of the Board of Health's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability (asset), and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension or net OPEB liability (as applicable). GASB Statements No. 68 and No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statements No. 68 and No. 75 require the net pension liability (asset) and the net OPEB liability (asset) to equal the Board of Health's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Board of Health is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement system to provide health care to eligible benefit recipients. The retirement system may allocate a portion of the employer contribution 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 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. vacation and sick 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 applicable). As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the Board of Health. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension 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 (as applicable) are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statements No. 68 and No. 75, the Board of Health's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in the net pension liability and the net OPEB asset, respectively, not accounted for as deferred outflows/inflows.

Each year, the above referenced changes impact the balance of the net pension/OPEB liabilities (asset) and the related deferred inflows and outflows. During 2025 these changes impacted the balances related to OPERS as follows:

- The decrease in the overall net pension liability resulted from the OPERS legacy combined plan being consolidated with the traditional pension plan along with increased pension plan investment earnings.
- The decrease in deferred outflows related to pension and OPEB resulted from the amortization of prior year amounts offset by the difference between expected and actual experience amount recognized in 2025.
- The decrease in deferred inflows for OPEB resulted from the amortization of prior year amounts offset by deferred inflows for the difference between expected and actual experience and changes in assumption recognized in 2025.
- Pension and OPEB expense increased over the prior year due to the amortization of the related deferred outflows/inflows. OPEB expense also increased due to the recognition of current period benefit changes to the HRA base allowance.

Other changes include an increase in current and other assets, primarily cash and cash equivalents from grant programs. The contributions from the City of Galion decreased from the prior year. Capital assets, net increased due to a purchase of various equipment including a refrigerator for vaccines. The decrease in current and other liabilities is largely related to amounts in the prior year were owed to various vendors at the end of year.

Table 2 reflects the change in net position for 2025 and 2024.

Table 2
Change in Net Position

	Governmental Activities		
	2025	2024	Change
Revenues			
Program Revenues			
Charges for Services	$181,807	$201,437	($19,630)
Operating Grants and Contributions	820,242	846,812	(26,570)
Total Program Revenues	1,002,049	1,048,249	(46,200)
General Revenues			
Other Revenues	617,763	301,182	316,581
Total Revenues	1,619,812	1,349,431	270,381
Program Expenses			
Public Health Services	1,186,309	1,147,198	(39,111)
Increase in Net Position	433,503	202,233	231,270
Net Position Beginning of Year	439,983	237,750	202,233
Net Position at End of Year	$873,486	$439,983	$433,503

All of the Board of Health's revenues are program revenues consisting of charges for services to clients, such as immunizations and clinics, grants for operations, and Medicare and/or Medicaid reimbursements. The decrease in charges for service is primarily due to less health claims received in 2025. The decrease in in operating grants and contributions is not significant. Other revenues increased due to reimbursements received for drug rebates due to additional providers being added in 2025.

Expenses consist of the provision of health care services such as nursing services, vital statistics, inspections, and community and family health programs. These costs will vary from year to year based on the requests for services.

Table 3 indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Public Health Services	$1,186,309	$1,147,198	($184,260)	($98,949)

GOVERNMENTAL FUNDS ANALYSIS

There was a decrease in fund balance in the General Fund. Charges for services decreased in the General Fund due to having less health claims in 2025, however contributions from the City of Galion remained sufficient to support the Board of Health's operations.

The Board of Health received more grant resource from the state thus causing an increase in fund balance for 340BDrug Pricing Program.

The Workforce Development Grant received less grant resources but also had less expenditures, still allowing for an increase in change in fund balance, which was insignificant.

The HIV Grant has a increase in change in fund balance and was insignificant.

The Board of Health received more grant resources thus causing an increase in fund balance for the STD grant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the Board of Health had $22,640 invested in capital assets (net of accumulated depreciation). Additions consisted of various equipment including a refrigerator for vaccines and there were no disposals in 2025. For further information regarding the Board of Health's capital assets, refer to Note 5 to the basic financial statements.

Debt

The Board of Health's long-term obligations included the net pension liability and compensated absences. For further information regarding the Board of Health's long-term obligations, refer to Note 12 to the basic financial statements.

CURRENT ISSUES

2025 brought some unexpected staffing changes to the Galion City Health Department. The Director of Administrative Services resigned, but in return we hired a gem. An additional difficult decision was made by the Health Commissioner, Director of Nursing, and the Galion Board of Health to eliminate our part-time nursing position based on workload.

The Galion City Health Department maintained status as a nationally public health accredited health department after submitting a mandatory annual report on September 30, 2025.

The Board of Health continued to utilize grants to provide services within the community, supplement the loss of revenue, and reimburse the General Health Fund for personnel time, goods, and services related to the COVID pandemic. The Workforce Development grant totaled over $78,000 in 2025. The HIV and STD grants brought in approximately $482,000 in 2025, which was spent on personnel, advertising, supplies, and other things needed to operate the growing Sexual Health Clinic and fulfill the Board of Health's role in disease intervention in a nine-county region. The HIV and STD grants also reimbursed for other costs shared across the health department such as personnel, supplies, services, and utilities. The Sexual Health Clinic continued utilizing the 340B program, generating $614,000 more revenue that is utilized toward the program.

The City of Galion also partially subsidizes our operations. However, there is concern about the amount this subsidy decreased starting in 2023, which is largely driven by the Board of Health having a carryover in the General Fund, which is typical for a local health department to have in Ohio for unforeseen emergency expenses. From 2023 to 2024, the City subsidy decreased from $423,718 to $296,845, which is a difference of $126,873. In 2025, the City subsidy was $300,000, which is consistent to what was received in 2024..

Currently, the Galion Board of Health is monitoring the political landscape that is rapidly changing the availability of some federal grants. At this point in time, the GCHD grants in place are not affected for 2026.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Board of Health's finances for all those interested in the Board of Health's financial wellbeing. Questions any of the information provided in this report or requests for additional information should be directed to the City of Galion Board of Health, 113 Harding Way East, Galion, Ohio 44833.

City of Galion Board of Health
Statement of Net Position
December 31, 2025

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$1,027,864
Due from Other Governments	142,268
Due from Primary Government	219,949
Prepaid Items	8,311
Net OPEB Asset	64,009
Depreciable Capital Assets, Net	22,640
Total Assets	1,485,041
Deferred Outflows of Resources	
Pension	160,298
OPEB	2,037
Total Deferred Outflows of Resources	162,335
Liabilities	
Accrued Wages Payable	5,860
Accounts Payable	9,187
Due to Other Governments	7,249
Long-Term Liabilities	
Due Within One Year	30,839
Due in More Than One Year	
Net Pension Liability	669,518
Other Amounts Due in More Than One Year	26,352
Total Liabilities	749,005
Deferred Inflows of Resources	
Pension	12,350
OPEB	12,535
Total Deferred Inflows of Resources	24,885
Net Position	
Net Investment in Capital Assets	22,640
Restricted for:	
Other Purposes	941,952
OPEB Plans	64,009
Unrestricted (Deficit)	(155,115)
Total Net Position	$873,486

See Accompanying Notes to the Basic Financial Statements

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City of Galion Board of Health
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Public Health Services	$1,186,309	$181,807	$820,242	($184,260)
General Revenues				
Other				617,763
Change in Net Position				433,503
Net Position Beginning of Year				439,983
Net Position End of Year				$873,486

See Accompanying Notes to the Basic Financial Statements

City of Galion Board of Health
Balance Sheet
Governmental Funds
December 31, 2025

	General	340B Drug Pricing Program	Workforce Development Grant	HIV Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	$0	$771,246	$51,930	$95,603
Due from Other Governments	21,854	75,849	6,283	9,387
Due from Primary Government	219,949	0	0	0
Interfund Receivable	207,941	0	0	0
Prepaid Items	8,311	0	0	0
Total Assets	$458,055	$847,095	$58,213	$104,990
Liabilities				
Accrued Wages Payable	$5,860	$0	$0	$0
Accounts Payable	782	4,758	0	1,358
Due to Other Governments	7,249	0	0	0
Interfund Payable	0	0	68,233	66,526
Total Liabilities	13,891	4,758	68,233	67,884
Deferred Inflows of Resources				
Unavailable Revenue	21,686	4,758	0	1,358
Fund Balance				
Nonspendable	8,311	0	0	0
Restricted	0	837,579	0	35,748
Assigned	26,186	0	0	0
Unassigned (Deficit)	387,981	0	(10,020)	0
Total Fund Balance (Deficit)	422,478	837,579	(10,020)	35,748
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$458,055	$847,095	$58,213	$104,990

See Accompanying Notes to the Basic Financial Statements

STD Grant	Other Governmental	Total Governmental Funds
$109,082	$3	$1,027,864
28,895	0	142,268
0	0	219,949
0	0	207,941
0	0	8,311
$137,977	$3	$1,606,333
$0	$0	$5,860
2,289	0	9,187
0	0	7,249
73,182	0	207,941
75,471	0	230,237
2,289	0	30,091
0	0	8,311
60,217	3	933,547
0	0	26,186
0	0	377,961
60,217	3	1,346,005
$137,977	$3	$1,606,333

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City of Galion Board of Health
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2025

Total Governmental Fund Balance		$1,346,005
Amounts reported for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		22,640
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Due from Other Governments		30,091
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(57,191)
The net OPEB asset and the net pension liability are not due and payable in the current period; therefore, the asset, liability, and related deferred outflows/inflows are not reported in the governmental funds.		
Deferred Outflows - Pension	160,298	
Deferred Inflows - Pension	(12,350)	
Net Pension Liability	(669,518)	
Net OPEB Asset	64,009	
Deferred Outflows - OPEB	2,037	
Deferred Inflows - OPEB	(12,535)	
		(468,059)
Net Position of Governmental Activities		$873,486

See Accompanying Notes to the Basic Financial Statements

City of Galion Board of Health
Statement of Revenues, Expenditures,
and Change in Fund Balance
Governmental Funds
For the Year Ended December 31, 2025

	General	340B Drug Pricing Program	Workforce Development Grant	HIV Grant
Revenues				
Charges for Services	$146,576	$0	$0	$0
Intergovernmental	8,627	0	78,867	131,926
Contributions	300,000	0	0	0
Other Revenue	381	614,462	0	0
Total Revenues	455,584	614,462	78,867	131,926
Expenditures				
Current:				
Public Health Services	549,623	140,469	74,842	127,813
Change in Fund Balance	(94,039)	473,993	4,025	4,113
Fund Balance (Deficit) Beginning of Year	516,517	363,586	(14,045)	31,635
Fund Balance (Deficit) End of Year	$422,478	$837,579	($10,020)	$35,748

See Accompanying Notes to the Basic Financial Statements

STD Grant	Other Governmental	Total Governmental Funds
$0	$0	$146,576
350,969	0	570,389
0	0	300,000
19,913	0	634,756
370,882	0	1,651,721
315,169	2,725	1,210,641
55,713	(2,725)	441,080
4,504	2,728	904,925
$60,217	$3	$1,346,005

City of Galion Board of Health
Reconciliation of Statement of Revenues, Expenditures,
and Change in Fund Balance
of Governmental Funds to Statement of Activities
For the Year Ended December 31, 2025

Change in Fund Balance - Total Governmental Funds		$441,080
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, on 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 capital outlay exceeded depreciation in the current year.		18,536
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Charges for Services	15,318	
Intergovernmental	(50,147)	
Other	2,920	
		(31,909)
Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(8,550)
Except for amounts reported as deferred outflows/inflows, changes in the net OPEB asset and net pension liability are reported as pension/OPEB expense on the statement of activities.		
Pension	(75,669)	
OPEB	20,797	
		(54,872)
Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.		
Pension	68,505	
OPEB	713	
		69,218
Change in Net Position of Governmental Activities		$433,503

See Accompanying Notes to the Basic Financial Statements

NOTE 1 - DESCRIPTION OF THE CITY OF GALION BOARD OF HEALTH AND THE REPORTING ENTITY

A. The Board of Health

The constitution and laws of the State of Ohio establish the rights and privileges of the City of Galion Board of Health (Board of Health) as a body corporate and politic. The Board of Health is governed by a six member Board appointed by the City and a Health Commissioner. The Board consists of five voting members and a president, the mayor of the City of Galion, who votes only to break a tie. The Health Commissioner is a non-voting member and serves as secretary to the Board. Consistent with the provisions of Ohio Revised Code Section 3709.36, the Board of Health is a legally separate organization. Among its various duties, the Board of Health provides for the prompt diagnosis and control of communicable diseases. The Board of Health may also inspect businesses where food is manufactured, handled, stored, or offered for sale. The rates charged by the Board of Health are subject to the approval of City Council. In addition, the City provides funding to the Board of Health, thus the City can impose its will on the Board of Health and the Board of Health imposes a financial burden to the City. Therefore, the Board of Health is considered a discretely presented component unit of the City of Galion.

B. Reporting Entity

A reporting entity is composed of the stand-alone government, component units, and other organizations that are included to ensure the financial statements are not misleading. The Board of Health consists of all funds, departments, boards, and agencies that are not legally separate from the Board of Health.

Component units are legally separate organizations for which the Board of Health is financially accountable. The Board of Health is financially accountable for an organization if the Board of Health appoints a voting majority of the organization's governing board and (1) the Board of Health is able to significantly influence the programs or services performed or provided by the organization; or (2) the Board of Health is legally entitled to or can otherwise access the organization's resources; the Board of Health is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the Board of Health in that the Board of Health approves the budget, the issuance of debt, or the levying of taxes and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Board of Health. There were no component units of the Board of Health in 2025.

The Board of Health participates in a public entity shared risk pool, the Public Entities Pool of Ohio, which is presented in Note 14 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Board of Health as a whole.

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

Fund Financial Statements

During the year, the Board of Health segregates transactions related to certain Board of Health 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 Board of Health at this more detailed level. The focus of governmental 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.

B. Fund Accounting

The Board of Health uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All of the Board of Health's funds are governmental funds.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

340B Drug Pricing Program Fund - This fund accounts for state grants restricted to providing affordable prescription drug prices to Medicare participants.

Workforce Development Grant Fund - This fund accounts for state grants restricted to developing a stronger, more efficient workforce.

HIV Grant Fund - This fund accounts for state grants restricted to educating and treating individuals to prevent the spread of the human immunodeficiency virus.

STD Grant Fund - This fund accounts for state grants restricted to preventative educational services and treatment for STDs.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

D. Basis of Accounting

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues - Exchange and Nonexchange Transactions

Revenues 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 the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough

Nonexchange transactions, in which the Board of Health receives value without directly giving equal value in return, consists of grants. Revenue from grants 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 Board of Health must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Board of Health on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: grants.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the Board of Health, deferred outflows of resources consists of pension and OPEB which is explained in Notes 9 and 10 to the basic financial statements.

In addition to liabilities, the statement of financial position may report 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 until that time. For the Board of Health, deferred inflows of resources includes unavailable revenue, pension, and OPEB. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the Board of Health, unavailable revenue consists of intergovernmental revenue including grants. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position and explained in Notes 9 and 10 to the basic financial statements.

Expenses/Expenditures

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Investments

The City of Galion serves as custodian for the Board of Health's deposits and investments. The City's deposit and investment pool holds the Board of Health's cash and investments, valued at the Treasurer's reported carrying amount.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2025, 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.

G. Capital Assets

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

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The Board of Health maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Governmental Activities Estimated Lives
Equipment	7-10 years

H. Interfund Receivables/Payables

On fund financial statements, outstanding interfund loans and unpaid amounts for internal services provided are reported as "Interfund Receivables/Payables". Interfund balances are eliminated on the statement of net position.

I. Compensated Absences

For the Board of Health, compensated absences includes leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated absences generally do not have a set payment schedule. The Board of Health does not offer cash settlements. The Board of Health uses a first-in first-out flow assumption for compensated absences.

Liabilities should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates and is allowed to be carried over to subsequent years, and the leave is more likely than not to be used for the time off or otherwise paid in cash. For the Board of Health, this leave includes sick and vacation time. However, the Board of Health also has certain compensated absences that are dependent upon the occurrence of a sporadic events that affects a relatively small portion of employees. A liability for these types of leave is recognized when the leave commences. For the Board of Health this type of leave includes parental leave, military leave, and jury duty. Holiday leave taken on a specific date, not at the discretion of the employee is recognized as a liability when used. The liability for compensate absences include salary related payments, where applicable.

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

J. Accrued Liabilities and Long-Term Obligations

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

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

K. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for the drug pricing program and federal and state grants. The Board of Health's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted net position for OPEB plans represent the corresponding restricted asset amounts held in trust by the OPEB plans for future benefits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Fund Balance

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

Nonspendable - The nonspendable classification 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" includes items that are not expected to be converted to cash.

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

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action of the Board of Health. The committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action 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 classification are intended to be used by the Board of Health 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. Assigned amounts represent intended uses established by the Board of Health or a Board of Health official delegated that authority by resolution, or by State Statute. The Board of Health has authorized the Health Commissioner to assign fund balance for purchases on order, provided those amounts have been lawfully appropriated.

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

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

M. Interfund Transactions

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

N. Pension/Postemployment

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB, pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans, and additions to/deductions from the fiduciary net position have been determined on the same basis as reported by the pension/OPEB system. 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 system reports investments at fair value.

O. 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.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For 2025, the Board of Health implemented Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. GASB 102 will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. GASB 102 requirements apply only to note disclosure and do not have any effect on beginning net position/fund balance. The Board of Health evaluated their concentrations and constraints but did not have any events that required disclosure.

NOTE 4 - RECEIVABLES

Receivables at December 31, 2025, consisted of intergovernmental receivables arising from grants, contributions, Medicaid billings, and interfund receivables. All receivables are considered collectible in full and within one year. A summary of the principal items of intergovernmental receivables follows:

NOTE 4 - RECEIVABLES (continued)

	Amount
Governmental Activities	
Major Funds	
General Fund	
Medicaid	$21,854
340B Drug Reimbursement Grant Fund	
340B Drug Reimbursement Grant	75,849
Workforce Development Grant Fund	
Workforce Development Grant	6,283
HIV Grant Fund	
HIV Grant	9,387
STD Grant Fund	
STD Grant	28,895
Total Major Funds	142,268
Total Governmental Funds	$142,268

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025
Governmental Activities				
Depreciable Capital Assets				
Equipment	$14,359	$22,875	$0	$37,234
Less Accumulated Depreciation for Equipment	(10,255)	(4,339)	0	(14,594)
Total Depreciable Capital Assets, Net	$4,104	$18,536	$0	$22,640

NOTE 6 - INTERFUND RECEIVABLES/PAYABLES

At December 31, 2025, the General Fund had an interfund receivable, in the amount of $207,941; $68,233 from the Workforce Development Grant, $66,526 from the HIV Grant, and $73,182 from the STD Grant to provide cash flow resources until the receipt of grant monies. These amounts are expected to be received within one year.

NOTE 7 - RISK MANAGEMENT

The Board of Health is a component unit of the City of Galion. The City of Galion participates in the Public Entities Pool of Ohio, a public entity shared risk pool. The Board of Health pays an annual premium to the pool for insurance coverage. Members agree to share in the coverage of losses and pay all premiums necessary for the specified insurance coverage. Upon withdrawal from the Pool, a participant is responsible for the payment of all liabilities accruing as a result of withdrawal. During 2025, the Board of Health had general liability insurance coverage of $6,000,000.

Risk Pool Membership

The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2024*
Cash and Investments	$48,150,572
Actuarial Liabilities	$22,652,556

*latest information available

NOTE 8 - CONTRACTUAL COMMITMENTS

At year end, the amount of encumbrances expected to be honored upon performance by the vendor in 2026 is $26,186.

NOTE 9 - DEFINED BENEFIT PENSION PLANS

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

Net Pension Liability /Net OPEB Asset

The net pension liability and the net OPEB asset reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the Board of Health's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculations are 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 Board of Health's obligation for this liability to annually required payments. The Board of Health cannot control benefit terms or the manner in which pensions are financed; however, the Board of Health does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

The proportionate share of each plan's unfunded benefits is presented as a *OPEB asset* or a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable*. The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description - Board of Health employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers two separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan, and the member-directed plan is a defined contribution plan.

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in both plans, law enforcement and public safety divisions exist only within the traditional pension plan.

The traditional pension plan also includes members of the legacy combined plan, a hybrid defined benefit/defined contribution plan referred to as the combined plan division of the traditional pension plan throughout this disclosure. Prior to January 1, 2024, the combined plan was a separate pension plan. Effective January 1, 2022, the combined plan was no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33 which allowed for the consolidation of the combined plan into the traditional pension plan. The combined plan was consolidated into the traditional pension plan effective January 1, 2024, and is tracked as a separate division within the traditional pension plan. No changes were made to the benefit design features of the combined plan as part of this consolidation so that members in this plan will experience no changes. Throughout this disclosure, references to the traditional pension plan are inclusive of the combined plan division, unless otherwise noted.

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional pension plan (applicable combined plan division requirements are separately identified) 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):

NOTE 9 - DEFINED BENEFIT PENSION PLANS (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 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Pension Plan Formula: (Excluding Combined Plan Division) 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Pension Plan Formula: (Excluding Combined Plan Division)** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Pension Plan Formula: (Excluding Combined Plan Division)** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Division Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Division Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Division Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

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

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

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

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

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

For 2025, the Board of Health's contractually required contribution was $67,592 for the traditional pension plan (excluding combined plan division), $913 for the combined plan division and $1,840 for the member-directed plan. Of these amounts, $5,094 is reported as an intergovernmental payable for the traditional pension plan (excluding combined plan division), $69 for the combined plan division, and $139 for the member-directed plan.

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

	OPERS Former Traditional Plan	OPERS Legacy Combined Plan	OPERS Consolidated Traditional Pension Plan
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	N/A	N/A	0.00273100%
Prior Measurement Date	0.00280709%	0.00150514%	0.00278900% *
Change in Proportionate Share	N/A	N/A	-0.00005800%
Proportionate Share of the:			
Net Pension Liability	$0	$0	$669,518
Pension Expense			75,669

*Effective January 1, 2024, the combined plan was consolidated with the traditional plan. The proportionate share percentage for the prior period for the consolidated traditional plan reflects an estimate based on the Board of Health's share of contributions to the pension plan relative to the contributions of all participating entities for both the former traditional plan and the legacy combined plan.

2025 pension expense for the member-directed defined contribution plan was $1,840. The aggregate pension expense for all pension plans was $77,509 for 2025.

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Differences between expected and actual experience	$12,810
Net difference between projected and actual earnings on pension plan investments	78,983
Board of Health contributions subsequent to the measurement date	68,505
Total Deferred Outflows of Resources	$160,298
Deferred Inflows of Resources	
Changes in proportion and differences between Board of Health contributions and proportionate share of contributions	$12,350
Total Deferred Inflows of Resources	$12,350

$68,505 reported as deferred outflows of resources related to pension resulting from Board of Health contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional Pension Plan
2026	$37,676
2027	82,164
2028	(30,474)
2029	(9,923)
Total	$79,443

Actuarial Assumptions - OPERS

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

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, 2024, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.9 percent, simple for calendar year 2025 then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	2.3 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

For the prior year, the actuarial assumptions for the Combined Legacy Plan included future salary increases (including inflation) of 2.75 percent to 8.25 percent, including wage inflation.

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

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

During 2024, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, including the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 8.8 percent for 2024.

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized below:

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

A simple weighted sum of asset class returns will not yield the results shown on the above table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

Discount Rate - The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional pension plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the 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 for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Board of Heath's proportionate share of the net pension liability			
OPERS Traditional & Combined Plan	$1,095,295	$669,518	$315,704

NOTE 10 - DEFINED BENEFIT OPEB PLANS

See Note 9 for a description of the net OPEB asset.

Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers two separate pension plans: the traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan and the member-directed plan is a defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to fund health care for the Traditional Pension and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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

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

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

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

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

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

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

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

NOTE 10 - DEFINED BENEFIT OPEB PLANS (continued)

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

Group A 30 years of qualified health care service credit;

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

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

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

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

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

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

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

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

NOTE 10 - DEFINED BENEFIT OPEB PLANS (continued)

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

The base allowance was $1,200 per month for non-Medicare retirees and $350 per month for Medicare retirees throughout 2024. The base allowance for Medicare retirees increased to $400 per month in January 2025. Monthly allowances range between 51 percent and 90 ninety of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan. While Medicare eligible retirees must use the Connector to select a vendor to be eligible to receive an HRA, non-Medicare eligible retirees may use the Connector or another vendor and still be eligible to receive an HRA.

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

NOTE 10 - DEFINED BENEFIT OPEB PLANS (continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2025, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2025, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan (excluding the Combined Plan Division). Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan Division which has continued through 2025. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2025 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2025.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board of Health's contractually required contribution was $152 for the combined division of the traditional pension plan and $561 for the member-directed plan. Of this amount, $11 is reported as an intergovernmental payable for the combined division of the traditional pension plan and $42 for the member-directed plan.

OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	OPERS
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.00273052%
Prior Measurement Date	0.00270452%
Change in Proportionate Share	0.00002600%
Proportionate Share of the Net OPEB Asset	$64,009
OPEB Expense	($20,797)

NOTE 10 - DEFINED BENEFIT OPEB PLANS (continued)

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

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$1,318
Changes in proportion and differences between Board of Health contributions and proportionate share of contributions	6
Board of Health contributions subsequent to the measurement date	713
Total Deferred Outflows of Resources	$2,037
Deferred Inflows of Resources	
Differences between expected and actual experience	$3,115
Changes of assumptions	9,236
Changes in proportion and differences between Board of Health contributions and proportionate share of contributions	184
Total Deferred Inflows of Resources	$12,535

$713 reported as deferred outflows of resources related to OPEB resulting from Board of Health contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS
2026	($6,700)
2027	5,921
2028	(7,715)
2029	(2,717)
Total	($11,211)

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.

NOTE 10 - DEFINED BENEFIT OPEB PLANS (continued)

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

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

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation
Single Discount Rate	6.00 percent
Prior Year Single Discount Rate	5.70 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.08 percent
Prior Year Municipal Bond Rate	3.77 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2039
Actuarial Cost Method	Individual Entry Age

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

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

During 2024, 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 Division, Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 10.0 percent for 2024.

NOTE 10 - DEFINED BENEFIT OPEB PLANS (continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized in the following table:

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

A simple weighted sum of asset class returns will not yield the results shown on the above table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

Discount Rate - A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2024; however, the single discount rate used at the beginning of the year was 5.70 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarially determined contribution rates of 6.00. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2124. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2124, the duration of the projection period through which projected health care payments are fully funded. The tax-exempt municipal bond rate was not needed in the determination of the single discount rate.

NOTE 10 - DEFINED BENEFIT OPEB PLANS (continued)

Sensitivity of the Board of Health's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents the Board of Health's proportionate share of the net OPEB Asset calculated using the single discount rate of 6.00 percent, as well as what the Board of Health's proportionate share of the net OPEB Asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Board of Health's proportionate share of the net OPEB asset	$31,783	$64,009	$90,899

Sensitivity of the Board of Health's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 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 2025 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Board of Health's proportionate share of the net OPEB asset	$64,986	$64,009	$62,911

NOTE 11 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from personnel policies and State laws.

Board of Health employees earn and accumulate vacation at varying rates depending on length of service. Current policy credits vacation leave on the employee's anniversary date. Employees are paid for 100 percent of earned unused vacation leave upon termination.

Sick leave is earned at four and six-tenths hours per pay period as defined by Board of Health personnel policies. Any employee with the Board of Health, who elects to retire and has been employed for at least three continuous years, is entitled to receive two-thirds of the value of their accumulated unused sick leave.

NOTE 12 - LONG-TERM OBLIGATIONS

The Board of Health's long-term obligations activity for the year ended December 31, 2025, was as follows:

	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Governmental Activities					
Net Pension Liability	$734,907	$0	$65,389	$669,518	$0
Compensated Absences Payable	48,641	8,550	0	57,191	30,839
Total Long-Term Obligations	$783,548	$8,550	$65,389	$726,709	$30,839

There is no repayment schedule for the net pension liability; employer pension contributions are made from the General Fund. For additional information related to the net pension/OPEB liability, see Notes 9 and 10 to the basic financial statements.

Increases and decreases to compensated absences are presented net on the above table.

NOTE 13 - FUND BALANCE

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

Fund Balance	General	340B Drug Pricing Program	Workforce Development Grant	HIV Grant	STD Grant	Other Governmental	Total
Nonspendable for:							
Prepaid Items	$8,311	$0	$0	$0	$0	$0	$8,311
Restricted for:							
340 Drug Pricing Program	0	837,579	0	0	0	0	837,579
HIV Grant	0	0	0	35,748	0	0	35,748
Mosquito Grant	0	0	0	0	0	3	3
STD Grant	0	0	0	0	60,217	0	60,217
Total Restricted	0	837,579	0	35,748	60,217	3	933,547
Assigned for:							
Unpaid Obligations	26,186	0	0	0	0	0	26,186
Unassigned (Deficit)	387,981	0	(10,020)	0	0	0	377,961
Total Fund Balance (Deficit)	$422,478	$837,579	($10,020)	$35,748	$60,217	$3	$1,346,005

NOTE 14 - PUBLIC ENTITY SHARED RISK POOL

The Public Entities Pool of Ohio (Pool) is a public entity shared risk pool which provides various risk management services to its members. The Pool is governed by a seven member board of directors; six are member representatives or elected officials and one is a representative of the pool administrator, American Risk Pooling Consultants, Inc. Each member has one vote on all issues addressed by the Board of Directors.

Participation in the Pool is by written application subject to the terms of the pool agreement. Members must continue membership for a full year and may withdraw from the Pool by giving a sixty day written notice prior to their annual anniversary. Financial information can be obtained from the Public Entities Pool of Ohio, 6500 Taylor Road, Blacklick, Ohio 43004.

NOTE 15 - CONTINGENT LIABILITIES

A. Litigation

There are currently no matters in litigation with the Board of Health as defendant.

B. Federal and State Grants

For the period January 1, 2025, to December 31, 2025, the Board of Health received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Board of Health believes such disallowances, if any, would be immaterial.

City of Galion Board of Health
Required Supplementary Information
Schedule of the Board of Health's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Seven Years (1)

	2025	2024	2023	2022
Board of Health's Proportion of the Net Pension Liability	0.00273100%	0.00280709%	0.00282912%	0.00310349%
Board of Health's Proportionate Share of the Net Pension Liability	$699,518	$734,907	$835,723	$270,016
Board of Health's Covered Payroll	$490,051	$426,500	$473,993	$381,100
Board of Health's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	142.74%	172.31%	176.32%	70.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.99%	79.01%	75.74%	92.62%
Legacy Combined Plan (2)				
Board of Health's Proportion of the Net Pension Asset	N/A	0.00150514%	0.00113196%	0.00114933%
Board of Health's Proportionate Share of the Net Pension Asset	N/A	$4,626	$2,668	$4,529
Board of Health's Covered Payroll	N/A	$6,375	$5,714	$4,436
Board of Health's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	N/A	72.56%	46.69%	102.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	144.55%	137.14%	169.88%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2019 is not available. An additional measurement date which is the prior year end.

(2) 2025 amounts for the Legacy Combined Plan are marked N/A (not applicable) because the Legacy Combined Plan was consolidated into the Traditional Plan effective January 1, 2024.

Amounts presented as of the Board of Heath's measurement date which is prior to year end.

See Accompanying Notes to the Required Supplemental Information

2021	2020	2019
0.00264682%	0.00229200%	0.00233950%
$391,937	$453,030	$640,742
$338,900	$322,486	$315,991
115.65%	140.48%	202.77%
86.88%	82.17%	74.70%
0.00095194%	0.00075550%	0.00068930%
$2,747	$1,575	$771
$3,814	$3,364	$2,948
72.02%	46.82%	26.15%
157.67%	145.28%	126.64%

City of Galion Board of Health
Required Supplementary Information
Schedule of the Board of Health's Proportionate Share of the Net OPEB Liability (Asset)
Ohio Public Employees Retirement System
Last Seven Years (1)

	2025	2024	2023	2022
Board of Health's Proportion of the Net OPEB Liability (Asset)	0.00273052%	0.00270452%	0.00270756%	0.00296439%
Board of Health's Proportionate Share of the Net OPEB Liability (Asset)	($64,009)	($24,408)	$17,072	($92,848)
Board of Health's Covered Payroll	$505,861	$440,734	$487,107	$391,136
Board of Health's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-12.65%	-5.54%	3.50%	-23.74%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	121.51%	107.76%	94.79%	128.23%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2019 is not available. An additional column will be added each year.

Amounts presented as of the Board of Health's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplemental Information

2021	2020	2019
0.00252758%	0.00218620%	0.00222860%
($45,031)	$301,972	$290,556
$347,514	$330,300	$323,259
-12.96%	91.42%	89.88%
115.57%	47.80%	46.33%

City of Galion Board of Health
Required Supplementary Information
Schedule of the Board of Health's Contributions
Ohio Public Employees Retirement System
Last Seven Years (1)

	2025	2024	2023	2022
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	$68,505	$67,598	$59,710	$66,359
Contributions in Relation to the Contractually Required Contribution	(68,505)	(67,598)	(59,710)	(66,359)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Board of Health Covered Payroll	$490,908	$482,843	$426,500	$473,993
Contributions as a Percentage of Covered Payroll	13.95%	14.00%	14.00%	14.00%
Net Pension Liability - Legacy Combined Plan (3)				
Contractually Required Contribution	N/A	$865	$765	$800
Contributions in Relation to the Contractually Required Contribution	N/A	(865)	(765)	(800)
Contribution Deficiency (Excess)	N/A	$0	$0	$0
Board of Health Covered Payroll	N/A	$7,208	$6,375	$5,714
Contributions as a Percentage of Covered Payroll	N/A	12.00%	12.00%	14.00%
Net Pension Liability - OPEB Plan				
Contractually Required Contribution	$713	$661	$385	$296
Contributions in Relation to the Contractually Required Contribution	(713)	(661)	(385)	(296)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Board of Health Covered Payroll (2)	$507,564	$505,861	$440,734	$487,107
OPEB Contributions as a Percentage of Covered Payroll	0.14%	0.13%	0.09%	0.06%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2019 is not available. An additional column will be added each year.

(2) The OPEB plan includes the members from the traditional plan, the combined plan, and the member-directed plan. The member-directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

(3) 2025 amounts for the Legacy Combined Plan are marked N/A (not applicable) because the Legacy Combined Plan was consolidated into the Traditional Plan effective January 1, 2024

See Accompanying Notes to the Required Supplemental Information

2021	2020	2019
$53,354	$47,446	$45,148
(53,354)	(47,446)	(45,148)
$0	$0	$0
$381,100	$338,900	$322,486
14.00%	14.00%	14.00%
$621	$534	$471
(621)	(534)	(471)
$0	$0	$0
$4,436	$3,814	$3,364
14.00%	14.00%	14.00%
$224	$192	$178
(224)	(192)	(178)
$0	$0	$0
$391,136	$347,514	$330,300
0.06%	0.06%	0.05%

Changes in Assumptions - OPERS Pension - Traditional Plan

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

	Beginning in 2022	2019 through 2021	2018 and 2017	2016
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:	
2025	2.9 percent, simple through 2025, then 2.05 percent, simple
2024	2.3 percent, simple through 2024, then 2.05 percent, simple
2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all 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 these tables.

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. 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.

Amounts reported for 2016 use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions - OPERS Pension - Combined Plan

Beginning with 2025, the combined plan was consolidated into the traditional pension plan, and is tracked as a separate division within the traditional pension plan.

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

	2022 - 2024	2019 through 2021	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

Since 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

Changes in Assumptions - OPERS OPEB

Wage Inflation:	
Beginning in 2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
Beginning in 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2025	4.08 percent
2024	3.77 percent
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2025	6.00 percent
2024	5.70 percent
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2025	5.50 percent, initial 3.5 percent, ultimate in 2039
2024	5.50 percent, initial 3.5 percent, ultimate in 2038
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Benefit Terms – OPERS

For 2025, the Combined Plan of OPERS was incorporated into the Traditional Plan of OPERS. Additionally, members with both Traditional Plan and Combined Plan service may choose to aggregate their service credit to fulfill unreduced retirement eligibility requirements. To aggregate service, members must have at least five years of contributing service in one of the two plans and the member must refund the contributions (and interest) left in the plan with the lesser service credit.

Changes in Benefit Terms - OPERS OPEB

Retirees receive a monthly subsidy into an HRA account equal to a dollar amount (base allowance) multiplied by the retirees' applicable allowance percentage. The Board of Trustees set the HRA base allowance on an annual basis. For purposes of GASB Statement Nos. 74 and 75 reporting, changes to the HRA base allowance (or assumed future HRA base allowances, as determined by the Board of Trustees with OPERS Staff assistance) are treated as benefit changes during the current period and recognized in the OPEB Expense.

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

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