



OHIO AUDITOR OF STATE
KEITH FABER



**ALLEN COUNTY
DECEMBER 31, 2023**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Allen County
301 North Main Street
Lima, Ohio 45801

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allen County, as of December 31, 2023, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Motor Vehicle and Gasoline Tax, Job and Family Services, Developmental Disabilities and American Rescue Plan funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the component unit, LODDI, Inc, which represent 77 percent, 73 percent, and 24 percent, respectively, of the assets, net position, and revenues of the aggregated discretely presented component units as of December 31, 2023, and the respective changes in financial position, thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for LODDI, Inc. is based solely on the report of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of LODDI, Inc were not audited in accordance with Government Auditing Standards.

Efficient • Effective • Transparent

Emphasis of Matter

As discussed in Note 29 to the financial statements, the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the County. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2024, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

October 16, 2024

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

The discussion and analysis of Allen County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

Highlights

In total, the County's net position increased 16 percent; 15 percent increase for governmental activities and nearly 17 percent increase for the business-type activity.

Using this Annual Report

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

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

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the County's most significant funds individually and the County's non-major funds in a single column. The County's major funds are the General Fund, the Motor Vehicle and Gasoline Tax, Job and Family Services, Developmental Disabilities, and American Rescue Plan special revenue funds, and the Sewer enterprise fund.

Reporting the County as a Whole

The statement of net position and the statement of activities reflect how the County did financially during 2023. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is 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 County'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 County 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. The causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base and the condition of the County's capital assets. These factors must be considered when assessing the overall health of the County.

In the statement of net position and the statement of activities, the County is divided into three distinct types of activities.

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

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Business-Type Activity - This service is provided on a charge for services basis and is intended to recover all or most of the costs of the service provided. The County's sewer operations are reported here.

Component Units - The County's financial statements include financial information for LODDI (Living Options for Developmentally Disabled Individuals) and the Allen County Land Reutilization Corporation (Land Bank). These component units are more fully described in Note 1 to the basic financial statements.

Reporting the County's Most Significant Funds

Fund financial statements provide detailed information about the County's major funds, the General Fund, the Motor Vehicle and Gasoline Tax, Job and Family Services, Developmental Disabilities, and American Rescue Plan special revenue funds, and the Sewer enterprise fund. While the County uses many funds to account for its financial transactions, these are the most significant.

Governmental Funds - The County's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the County'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 governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided.

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

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

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the County's programs. These funds also use the accrual basis of accounting.

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Management's Discussion and Analysis
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Government-Wide Financial Analysis

Table 1 provides a summary of the County's net position for 2023 and 2022.

Table 1
Net Position

	Governmental		Business-Type		Total	
	Activities		Activity			
	2023	2022	2023	2022	2023	2022
<u>Assets</u>						
Current and Other Assets	\$130,561,194	\$124,816,083	\$12,380,877	\$10,419,484	\$142,942,071	\$135,235,567
Net Pension Asset	610,181	962,055	23,172	48,713	633,353	1,010,768
Net OPEB Asset	0	6,791,002	0	343,571	0	7,134,573
Capital Assets, Net	86,778,350	83,869,762	43,894,718	41,297,017	130,673,068	125,166,779
Total Assets	<u>217,949,725</u>	<u>216,438,902</u>	<u>56,298,767</u>	<u>52,108,785</u>	<u>274,248,492</u>	<u>268,547,687</u>
<u>Deferred Outflows of Resources</u>						
Pension	26,677,023	8,886,922	1,019,456	449,173	27,690,072	9,336,095
OPEB	4,087,749	454,205	155,231	22,663	4,242,980	476,868
Total Deferred Outflows of Resources	<u>30,764,772</u>	<u>9,341,127</u>	<u>1,174,687</u>	<u>471,836</u>	<u>31,933,052</u>	<u>9,812,963</u>
<u>Liabilities</u>						
Current and Other Liabilities	14,140,818	23,625,515	418,439	225,583	14,559,257	23,851,098
Long-Term Liabilities						
Pension	64,396,044	19,146,499	2,445,420	967,042	66,841,464	20,113,541
OPEB	1,359,857	0	51,639	0	1,411,496	0
Other Amounts	14,710,512	15,450,117	13,495,583	14,844,665	28,206,095	30,294,782
Total Liabilities	<u>94,607,231</u>	<u>58,222,131</u>	<u>16,411,081</u>	<u>16,037,290</u>	<u>111,018,312</u>	<u>74,259,421</u>
<u>Deferred Inflows of Resources</u>						
Pension	804,557	25,489,948	324,183	1,255,500	1,122,333	26,745,448
OPEB	519,244	7,227,753	21,526	362,861	540,770	7,590,614
Leases	2,754,454	3,119,599	0	0	2,754,454	3,119,599
Other Amounts	13,240,481	13,111,452	0	0	13,240,481	13,111,452
Total Deferred Inflows of Resources	<u>17,318,736</u>	<u>48,948,752</u>	<u>345,709</u>	<u>1,618,361</u>	<u>17,658,038</u>	<u>50,567,113</u>
<u>Net Position</u>						
Net Investment in Capital Assets	75,445,974	70,990,633	30,410,005	26,677,494	105,855,979	97,668,127
Restricted	61,377,461	60,746,992	23,172	392,284	61,400,633	61,139,276
Unrestricted (Deficit)	(34,905)	(13,128,479)	10,283,487	7,855,192	10,248,582	(5,273,287)
Total Net Position	<u>\$136,788,530</u>	<u>\$118,609,146</u>	<u>\$40,716,664</u>	<u>\$34,924,970</u>	<u>\$177,505,194</u>	<u>\$153,534,116</u>

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The net pension/OPEB liability (asset) reported by the County at December 31, 2023, 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 County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability (asset), and the net OPEB liability 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. 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) (as applicable) to equal the County'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 County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems 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.

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

Pension/OPEB changes noted in the above table reflect an overall increase in deferred outflows and overall decrease in deferred inflows. These changes are affected by changes in benefits, contribution rates, return on investments, and actuarial assumptions. The decrease in the net pension asset and the net OPEB asset, and the increase in the net pension and the net OPEB liabilities represents the County's proportionate share of the unfunded benefits.

Aside from the changes related to pension/OPEB, there were several other changes of significance for governmental activities. Several primary sources contributed to the increase in current and other assets. Cash and cash equivalents increased almost \$6 million primarily in the General Fund due to conservative spending. In addition, a number of funds have been accumulating resources in excess of activity during the year (for instance, the Building and Expansion capital projects fund experienced lower project costs than resources for the year). The increase in accounts receivable is for the OneOhio opioid settlement. The decrease in current and other liabilities was primarily due to the decrease in unearned revenue (ARPA monies continued to be spent in 2023) and contracts and retainage payable (the Gomer sewer project and school renovations for the Board of Development Disabilities were completed). However, there was also a slight increase in accrued wages at year end due to the pay period end dates and salary increases. The increase in unrestricted net position was impacted by items mentioned above.

For the business-type activity, the increase in current and other assets was primarily due to an increase in cash and cash equivalents; the result of a transfer from the General Fund and operating revenues continued to exceed expenses in 2023. The increase in current and other liabilities was due to an increase in accounts payable (based on timing for utility services) and contracts and retainage payable (for research and design services for phase 2 of the wastewater treatment plant project that is ongoing). The decrease in other long-term liabilities represents scheduled debt retirement.

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Table 2 reflects the change in net position for 2023 and 2022.

Table 2
Change in Net Position

	Governmental		Business-Type		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$15,922,477	\$14,785,169	\$8,120,014	\$8,088,285	\$24,042,491	\$22,873,454
Operating Grants, Contributions, and Interest	46,552,441	34,480,543	0	0	46,552,441	34,480,543
Capital Grants and Contributions	6,099,895	4,516,221	0	39,933	6,099,895	4,556,154
Total Program Revenues	68,574,813	53,781,933	8,120,014	8,128,218	76,694,827	61,910,151
General Revenues						
Property Taxes Levied for						
General Operations	3,631,452	3,518,264	0	0	3,631,452	3,518,264
Health-Developmental Disabilities	5,624,161	5,403,798	0	0	5,624,161	5,403,798
Human Services-Children Services	2,292,440	2,209,587	0	0	2,292,440	2,209,587
Debt Service	1,650,702	1,599,201	0	0	1,650,702	1,599,201
Marimor Permanent Improvement	489,057	469,899	0	0	489,057	469,899
Permissive Sales Taxes	20,760,806	20,678,894	0	0	20,760,806	20,678,894
Grants and Entitlements	3,278,850	4,176,303	0	0	3,278,850	4,176,303
Investment Earnings and Other Interest	5,442,713	665,636	26,968	1,567	5,469,681	667,203
Other	4,972,096	5,593,188	316,930	288,761	5,289,026	5,881,949
Total General Revenues	48,142,277	44,314,770	343,898	290,328	48,486,175	44,605,098
Total Revenues	116,717,090	98,096,703	8,463,912	8,418,546	125,181,002	106,515,249
Program Expenses						
General Government						
Legislative Executive	15,267,432	13,522,610	0	0	15,267,432	13,522,610
Judicial	14,024,635	9,729,486	0	0	14,024,635	9,729,486
Public Safety	13,760,601	9,465,496	0	0	13,760,601	9,465,496
Public Works	15,317,426	12,465,807	0	0	15,317,426	12,465,807
Health						
Developmental Disabilities	9,773,533	7,726,536	0	0	9,773,533	7,726,536
Other Health	608,886	560,646	0	0	608,886	560,646
Human Services						
Job and Family Services	12,211,022	9,201,974	0	0	12,211,022	9,201,974
Children Services	8,341,386	6,949,819	0	0	8,341,386	6,949,819
Other Human Services	3,512,910	2,505,451	0	0	3,512,910	2,505,451
Conservation and Recreation	664,685	625,995	0	0	664,685	625,995
Interest	96,766	206,079	0	0	96,766	206,079
Sewer	0	0	7,630,642	6,922,163	7,630,642	6,922,163
Total Expenses	93,579,282	72,959,899	7,630,642	6,922,163	101,209,924	79,882,062
Increase in Net Position Before Transfers	23,137,808	25,136,804	833,270	1,496,383	23,971,078	26,633,187
Transfers	(4,958,424)	141,518	4,958,424	(141,518)	0	0
Increase in Net Position Before Transfers	18,179,384	25,278,322	5,791,694	1,354,865	23,971,078	26,633,187
Net Position Beginning of Year	118,609,146	93,330,824	34,924,970	33,570,105	153,534,116	126,900,929
Net Position End of Year	\$136,788,530	\$118,609,146	\$40,716,664	\$34,924,970	\$177,505,194	\$153,534,116

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

For governmental activities, the most significant change in program revenues was the increase in operating grants, contributions, and interest. Several factors contributed to the increase including recognizing earned ARPA funding revenue (ARPA funding continued to be spent as previously mentioned above). In addition, the County received grant resources for Developmental Disabilities, Children's Services, and Felony Care and Subsidy (an Ohio Department of Youth Services grant). Grant resources received for the Baughman Ditch from the Ohio Department of Natural Resources contributed to the increase in program revenues for capital grants. The increase in charges for services is for the OneOhio opioid settlement. The most significant change in general revenues was due to the interest increase in revenues based on the market fluctuations on the County's investments. The increase in expenses is due to salary and benefit increases and the increase in pension/OPEB expenses from the prior year.

For the business-type activity, there was little change in revenues. The increase in expenses is due to salary and benefit increases and the increase in pension/OPEB expenses from the prior year.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
General Government:				
Legislative and Executive	\$15,267,432	\$13,522,610	\$8,494,044	\$6,677,063
Judicial	14,024,635	9,729,486	7,317,238	2,382,329
Public Safety	13,760,601	9,465,496	2,590,168	7,448,179
Public Works	15,317,426	12,465,807	(2,761,587)	(3,293,060)
Health				
Developmental Disabilities	9,773,533	7,726,536	5,800,026	4,961,085
Other Health	608,886	560,646	(1,200,731)	(5,649)
Human Services				
Job and Family Services	12,211,022	9,201,974	985,352	(1,083,869)
Children Services	8,341,386	6,949,819	2,228,330	1,329,483
Other Human Services	3,512,910	2,505,451	838,083	13,997
Conservation and Recreation	664,685	625,995	616,780	542,329
Interest	96,766	206,079	96,766	206,079
Total Expenses	\$93,579,282	\$72,959,899	\$25,004,469	\$19,177,966

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

The County's general revenues (primarily property and sales taxes and unrestricted grants and entitlements) supported nearly 27 percent of the services provided by the County (26 percent in 2022). A review of the above table reveals that a number of the County's programs have consistently received substantial support through program revenues. For instance, approximately 32 percent of the legislative and executive program costs were provided for through various charges for services. The judicial program provides for its costs through various fines, court costs, and grants. The public works program receives program revenues from motor vehicle license and gas taxes as well as from charges to other governmental entities for which the County Engineer provides services. Grants provide for a significant portion of the costs of the health and human services programs (Developmental Disabilities, Job and Family Services, and Children Services programs).

Governmental Funds Financial Analysis

The County's major governmental funds are the General Fund, the Motor Vehicle and Gasoline Tax, Job and Family Services, Developmental Disabilities, and the American Rescue Plan special revenue funds.

The change in fund balance for the General Fund was an increase of 25 percent. Revenues exceeded expenditures (ARPA funding were recognized as being earned as previously mentioned above). However, public work expenditures increased to supplement the Allen Water District operations.

Fund balance decreased approximately 14 percent for the Motor Vehicle and Gasoline Tax Fund. Revenues decreased due to in the prior year a reimbursement for road projects was received. There was an increase in expenditures due to more road improvement work in 2023.

Fund balance increased 10 percent in the Job and Family Services Fund. There were increases in both revenues and expenditures. Jobs and Family Services received more grant resources therefore spent more on human services programs.

The increase in fund balance in the Developmental Disabilities Fund was 9 percent which was the result of increased Medicaid reimbursements.

The American Rescue Plan Fund records the pandemic recovery resources received from the federal government. The increase in fund balance is primarily for interest earnings.

Business-Type Activities Financial Analysis

Revenues were very similar to the prior year in the Sewer Fund; however, there was an increase in personal services expenses due to salary and wages and pension/OPEB expense (previously mentioned above). In addition, the sewer received constructed assets from governmental funds that contributed to the net position increase.

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

Budgetary Highlights

The County prepares an annual budget of revenues and expenditures/expenses for all funds of the County for use by County officials and department heads and such other budgetary documents as are required by State statute, including the annual appropriations resolution which is effective the first day of January. The County's most significant budgeted fund is the General Fund. For revenues, changes from the original budget to the final budget mainly occurred in other financing sources revenue for unanticipated use of ARPA funding. Changes from the final budget to actual revenues were sizable due to conservative estimates for sales taxes, intergovernmental, and interest revenues. For expenditures, changes from the original budget to the final budget were an increase mainly in the general government legislative and executive, and public safety programs. Actual expenditures were less than the final budget primarily due to budgeting conservatively.

Capital Assets and Debt Administration

Capital Assets - The County's net investment in capital assets for governmental and business-type activities as of December 31, 2023, was \$75,445,974 and \$30,410,005, respectively (net of accumulated depreciation and related debt). The primary additions for governmental activities included land to be used for the site of a new administration building, finished school renovations for the Board of Development Disabilities, ongoing HVAC improvement project at the Court of Appeals, the Baughman Ditch watershed project, leased office space, several vehicles, dump trucks, heavy equipment, miscellaneous equipment, and various road and bridge improvements. Disposals included a boiler, heavy equipment, a vehicle, and miscellaneous equipment.

For the business-type activity, additions included pumps and sewer lines donated from governmental funds. Disposals included several vehicles.

For further information regarding the County's capital assets, refer to Note 11 to the basic financial statements.

Debt - At December 31, 2023, the County had \$103,179 in special assessment bonds, \$1,068,908 in OPWC loans, and \$1,905,267 in OWDA loans payable from governmental activities. The business-type activity had \$13,204,171 in OWDA loans outstanding at year end.

In addition to the debt outlined above, the County's long-term obligations also include the net pension/OPEB liability, capital loans, leases, financed purchases, and compensated absences. For additional information on the County's debt, refer to Note 19 to the basic financial statements.

Current Issues

The unemployment rate dropped to a new low for the first time in over five years in 2023, with a rate of 3 percent in December. That's down from 3.6 percent in 2022. The unemployment rate was 3.4 percent in 2021 and 4.8 percent in 2020. Financially, unemployment fraud from outside attackers continued to plague Allen County in 2023, as it has with numerous other counties across the State. Many significant businesses are not at full capacity for business nor employment. Finding employees willing and able to work remains a challenge, as it is across the nation. Job Fairs and continual training offered by Ohio Means Jobs is helping to unite workers and full time employment.

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

The Allen County Commissioners and elected officials have continued monitoring the budget closely and have been diligent in keeping expenditures in line with revenues. Sales tax revenue continues to increase and fund a large portion of the General Fund. However, the County's elected leaders continue to monitor those trends carefully and evaluate the impact on our Allen County revenues as a whole. Inflation concerns are strong in the Country which could be playing a part in the increased sales tax numbers. Costs for nearly every service and product have been increasing, causing budget restraints and careful planning to ensure critical tasks are able to be completed.

In 2019, the County Commissioners began to plan capital projects aimed at courthouse renovations. However, due to the pandemic and the resulting loss of casino dollars that help fund our available capital dollars, the projects were placed on hold. Capital projects are back into planning stages mainly due to ARPA resources received by the County. In 2023, land has been acquired, and a new county administration building is being planned, with occupancy anticipated by late 2025. In addition, a new Child Support Enforcement Agency building, or significant remodeling of their current building, is also under discussion. Once a new County Administration Building is constructed and current tenants move to the new building, the current main courthouse will be evacuated, and the courthouse then will begin an extensive remodeling to accommodate the various court systems in the County. Allen County remains in a strong position as far as relief from debt, our budgetary strongholds, and the practice of strong, capable government performance.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's financial status. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Rachael Gilroy, Allen County Auditor, 301 North Main Street, Lima, Ohio 45801 or by visiting the County's website at www.allencountyohio.com.

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Allen County, Ohio
Statement of Net Position
Primary Government and Discretely Presented Component Units
December 31, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activity	Total *	LODDI	Land Bank
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$91,561,478	\$8,995,499	\$100,556,977	\$0	\$0
Cash and Cash Equivalents in Segregated Accounts	225,295	0	225,295	123,941	538,759
Cash and Cash Equivalents with Escrow Agent	48,037	0	48,037	0	0
Investments in Segregated Accounts	0	0	0	77,986	0
Accounts Receivable	841,253	3,199,572	4,040,825	1,874	0
Accrued Interest Receivable	199,884	0	199,884	0	0
Permissive Sales Taxes Receivable	5,389,155	0	5,389,155	0	0
Permissive Motor Vehicle License Taxes Receivable	96,241	0	96,241	0	0
Due from Other Governments	10,273,735	0	10,273,735	0	0
Prepaid Items	462,028	12,836	474,864	13,430	0
Materials and Supplies Inventory	674,577	53,487	728,064	0	0
Property Held for Resale	0	0	0	0	33,771
Internal Balances	(119,483)	119,483	0	0	0
Property Taxes Receivable	14,138,405	0	14,138,405	0	0
Leases Receivable	2,754,454	0	2,754,454	0	0
Notes Receivable	395,723	0	395,723	0	0
Special Assessments Receivable	3,620,412	0	3,620,412	0	0
Net Pension Asset	610,181	23,172	633,353	0	0
Nondepreciable Capital Assets	7,888,443	2,162,097	10,050,540	190,812	0
Depreciable Capital Assets, Net	78,889,907	41,732,621	120,622,528	1,500,145	12,358
Total Assets	217,949,725	56,298,767	274,248,492	1,908,188	584,888
<u>Deferred Outflows of Resources</u>					
Pension	26,677,023	1,019,456	27,690,072	0	0
OPEB	4,087,749	155,231	4,242,980	0	0
Total Deferred Outflows of Resources	30,764,772	1,174,687	31,933,052	0	0
<u>Liabilities</u>					
Accrued Wages Payable	1,724,879	77,514	1,802,393	0	0
Accounts Payable	1,165,942	98,978	1,264,920	2,785	0
Contracts Payable	237,405	154,943	392,348	0	0
Due to Other Governments	1,058,502	39,495	1,097,997	0	0
Unearned Revenue	9,905,751	0	9,905,751	0	0
Retainage Payable	48,037	47,509	95,546	0	0
Accrued Interest Payable	302	0	302	0	0
Notes Payable	0	0	0	8,632	0
Long-Term Liabilities:					
Due Within One Year	2,671,060	1,484,829	4,155,889	0	0
Due in More Than One Year	12,039,452	12,010,754	24,050,206	353,800	0
Net Pension Liability	64,396,044	2,445,420	66,841,464	0	0
Net OPEB Liability	1,359,857	51,639	1,411,496	0	0
Total Liabilities	94,607,231	16,411,081	111,018,312	365,217	0
<u>Deferred Inflows of Resources</u>					
Property Taxes	13,240,481	0	13,240,481	0	0
Leases	2,754,454	0	2,754,454	0	0
Pension	804,557	324,183	1,122,333	0	0
OPEB	519,244	21,526	540,770	0	0
Total Deferred Inflows of Resources	17,318,736	345,709	17,658,038	0	0

(continued)

Allen County, Ohio
Statement of Net Position
Primary Government and Discretely Presented Component Units
December 31, 2023
(continued)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activity	Total *	LODDI	Land Bank
<u>Net Position</u>					
Net Investment in Capital Assets	\$75,445,974	\$30,410,005	\$105,855,979	\$1,690,957	\$12,358
Restricted for:					
Debt Service	3,352,989	0	3,352,989	0	0
Capital Projects	11,165,766	0	11,165,766	0	0
Public Works	6,587,660	0	6,587,660	0	0
Developmental Disabilities	13,531,123	0	13,531,123	0	0
Job and Family Services	3,585,060	0	3,585,060	0	0
Children Services	6,130,194	0	6,130,194	0	0
Real Estate Assessment	2,527,288	0	2,527,288	0	0
Opioid Settlement	1,018,553	0	1,018,553	0	0
Felony Care and Subsidy	725,180	0	725,180	0	0
Revolving Loan	961,311	0	961,311	0	0
Ditch Maintenance	3,767,575	0	3,767,575	0	0
Other Purposes	7,414,581	0	7,414,581	0	0
Pension Plans	610,181	23,172	633,353	0	0
Unrestricted (Deficit)	(34,905)	10,283,487	10,248,582	(147,986)	572,530
Total Net Position	<u>\$136,788,530</u>	<u>\$40,716,664</u>	<u>\$177,505,194</u>	<u>\$1,542,971</u>	<u>\$584,888</u>

* After deferred outflows and deferred inflows related to the change in internal proportionate share of pension related items have been eliminated.

See Accompanying Notes to the Basic Financial Statements

Allen County, Ohio
Statement of Activities
Primary Government and Discretely Presented Component Units
For the Year Ended December 31, 2023

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
General Government:				
Legislative and Executive	\$15,267,432	\$4,873,030	\$1,489,890	\$410,468
Judicial	14,024,635	2,301,408	4,405,989	0
Public Safety	13,760,601	833,643	10,136,790	200,000
Public Works	15,317,426	5,926,867	6,662,719	5,489,427
Health				
Developmental Disabilities	9,773,533	0	3,973,507	0
Other Health	608,886	1,457,272	352,345	0
Human Services				
Job and Family Services	12,211,022	6,234	11,219,436	0
Children Services	8,341,386	33,982	6,079,074	0
Other Human Services	3,512,910	442,136	2,232,691	0
Conservation and Recreation	664,685	47,905	0	0
Interest	96,766	0	0	0
Total Governmental Activities	93,579,282	15,922,477	46,552,441	6,099,895
<u>Business-Type Activity</u>				
Sewer	7,630,642	8,120,014	0	0
Total Primary Government	\$101,209,924	\$24,042,491	\$46,552,441	\$6,099,895
<u>Component Unit</u>				
LODDI	235,577	0	194,945	75,132
Land Bank	2,845,848	0	764,885	0
	\$3,081,425	\$0	\$959,830	\$75,132

General Revenues:
Property Taxes Levied for:
General Operating
Health-Developmental Disabilities
Human Services-Children Services
Debt Service
Marimor Permanent Improvement
Permissive Sales Taxes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings and Other Interest
Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Change in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activity	Total	LODDI	Land Bank
(\$8,494,044)	\$0	(\$8,494,044)	\$0	\$0
(7,317,238)	0	(7,317,238)	0	0
(2,590,168)	0	(2,590,168)	0	0
2,761,587	0	2,761,587	0	0
(5,800,026)	0	(5,800,026)	0	0
1,200,731	0	1,200,731	0	0
(985,352)	0	(985,352)	0	0
(2,228,330)	0	(2,228,330)	0	0
(838,083)	0	(838,083)	0	0
(616,780)	0	(616,780)	0	0
(96,766)	0	(96,766)	0	0
(25,004,469)	0	(25,004,469)	0	0
0	489,372	489,372	0	0
(25,004,469)	489,372	(24,515,097)	0	0
0	0	0	34,500	0
0	0	0	0	(2,080,963)
0	0	0	34,500	(2,080,963)
3,631,452	0	3,631,452	0	0
5,624,161	0	5,624,161	0	0
2,292,440	0	2,292,440	0	0
1,650,702	0	1,650,702	0	0
489,057	0	489,057	0	0
20,760,806	0	20,760,806	0	0
3,278,850	0	3,278,850	0	205,470
5,442,713	26,968	5,469,681	10,712	0
4,972,096	316,930	5,289,026	21,827	8,245
48,142,277	343,898	48,486,175	32,539	213,715
(4,958,424)	4,958,424	0	0	0
43,183,853	5,302,322	48,486,175	32,539	213,715
18,179,384	5,791,694	23,971,078	67,039	(1,867,248)
118,609,146	34,924,970	153,534,116	1,475,932	2,452,136
\$136,788,530	\$40,716,664	\$177,505,194	\$1,542,971	\$584,888

Allen County, Ohio
Balance Sheet
Governmental Funds
December 31, 2023

	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Developmental Disabilities
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$28,078,799	\$3,223,539	\$2,214,906	\$13,629,917
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Accounts Receivable	311	814	0	14,529
Accrued Interest Receivable	199,884	0	0	0
Permissive Sales Taxes Receivable	5,215,848	0	0	0
Permissive Motor Vehicle License Taxes Receivable	0	96,241	0	0
Due from Other Governments	1,045,678	3,202,762	2,088,097	550,941
Prepaid Items	318,465	20,108	37,719	31,146
Materials and Supplies Inventory	58,535	563,055	14,210	35,245
Interfund Receivable	2,402,253	1,876	167,730	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	421,857	0	0	0
Cash with Escrow Agent	0	0	0	0
Property Taxes Receivable	3,495,592	0	0	6,133,762
Lease Receivable	2,734,939	0	19,515	0
Notes Receivable	134,244	0	0	0
Special Assessments Receivable	0	0	0	0
Total Assets	<u>\$44,106,405</u>	<u>\$7,108,395</u>	<u>\$4,542,177</u>	<u>\$20,395,540</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$715,134	\$125,293	\$257,860	\$241,845
Accounts Payable	416,458	71,081	160,265	49,055
Contracts Payable	0	0	0	0
Due to Other Governments	453,247	42,322	119,308	322,309
Unearned Revenue	0	0	0	0
Interfund Payable	1,644	20,108	37,578	31,146
Payable from Restricted Assets				
Retainage Payable	0	0	0	0
Total Liabilities	<u>1,586,483</u>	<u>258,804</u>	<u>575,011</u>	<u>644,355</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes Receivable	3,295,379	0	0	5,715,135
Unavailable Revenue	4,971,569	2,661,119	1,719,077	794,300
Lease	2,734,939	0	19,515	0
Total Deferred Inflows of Resources	<u>11,001,887</u>	<u>2,661,119</u>	<u>1,738,592</u>	<u>6,509,435</u>
<u>Fund Balance</u>				
Nonspendable	1,781,272	583,163	51,929	66,391
Restricted	0	3,605,309	2,176,645	13,175,359
Committed	122,544	0	0	0
Assigned	6,866,545	0	0	0
Unassigned (Deficit)	22,747,674	0	0	0
Total Fund Balance	<u>31,518,035</u>	<u>4,188,472</u>	<u>2,228,574</u>	<u>13,241,750</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$44,106,405</u>	<u>\$7,108,395</u>	<u>\$4,542,177</u>	<u>\$20,395,540</u>

See Accompanying Notes to the Basic Financial Statements

American Rescue Plan	Other Governmental	Total
\$10,350,893	\$33,641,567	\$91,139,621
0	225,295	225,295
0	825,599	841,253
0	0	199,884
0	173,307	5,389,155
0	0	96,241
0	3,386,257	10,273,735
0	54,590	462,028
0	3,532	674,577
0	228,154	2,800,013
0	0	421,857
0	48,037	48,037
0	4,509,051	14,138,405
0	0	2,754,454
0	261,479	395,723
0	3,620,412	3,620,412
<u>\$10,350,893</u>	<u>\$46,977,280</u>	<u>\$133,480,690</u>
\$380	\$384,367	\$1,724,879
0	469,083	1,165,942
0	237,405	237,405
59	121,257	1,058,502
9,421,711	484,040	9,905,751
0	2,829,020	2,919,496
0	48,037	48,037
<u>9,422,150</u>	<u>4,573,209</u>	<u>17,060,012</u>
0	4,229,967	13,240,481
0	7,279,674	17,425,739
0	0	2,754,454
0	11,509,641	33,420,674
0	58,122	2,540,877
928,743	30,170,240	50,056,296
0	2,010,283	2,132,827
0	4,813	6,871,358
0	(1,349,028)	21,398,646
<u>928,743</u>	<u>30,894,430</u>	<u>83,000,004</u>
<u>\$10,350,893</u>	<u>\$46,977,280</u>	<u>\$133,480,690</u>

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Allen County, Ohio
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2023

Total Governmental Fund Balance		\$83,000,004
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		86,778,350
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>		
Accounts Receivable	823,115	
Accrued Interest Receivable	143,166	
Permissive Sales Taxes Receivable	3,758,848	
Due from Other Governments	8,130,245	
Interfund Receivable	52,029	
Delinquent Property Taxes Receivable	897,924	
Special Assessments Receivable	<u>3,620,412</u>	
		17,425,739
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Special Assessment Bonds Payable	(103,179)	
OPWC Loans Payable	(1,068,908)	
OWDA Loans Payable	(1,905,267)	
Capital Loans Payable	(1,774,368)	
Leases Payable	(6,164,292)	
Compensated Absences Payable	<u>(3,694,498)</u>	
		(14,710,512)
<p>Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due.</p>		(302)
<p>The net pension asset and net pension/OPEB 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.</p>		
Net Pension Asset	610,181	
Deferred Outflows - Pension	26,677,023	
Deferred Inflows - Pension	(804,557)	
Net Pension Liability	(64,396,044)	
Deferred Outflows - OPEB	4,087,749	
Deferred Inflows - OPEB	(519,244)	
Net OPEB Liability	<u>(1,359,857)</u>	
		<u>(35,704,749)</u>
Net Position of Governmental Activities		<u><u>\$136,788,530</u></u>

See Accompanying Notes to the Basic Financial Statements

Allen County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023

	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Developmental Disabilities
<u>Revenues</u>				
Property Taxes	\$3,625,637	\$0	\$0	\$5,612,002
Permissive Sales Taxes	20,068,779	0	0	0
Permissive Motor Vehicle License Taxes	0	1,204,468	0	0
Charges for Services	4,965,071	968,888	30	0
Licenses and Permits	7,386	41,915	0	0
Fines, Forfeitures, and Settlements	288,949	186,815	0	0
Intergovernmental	12,151,530	8,769,470	10,461,230	4,033,784
Special Assessments	0	0	0	0
Lease	384,660	0	6,204	0
Investment Earnings and Other Interest	5,365,870	143,600	574	2,639
Gifts and Donations	0	0	0	0
Other	1,363,987	82,476	1,341,254	1,095,068
Total Revenues	48,221,869	11,397,632	11,809,292	10,743,493
<u>Expenditures</u>				
Current:				
General Government:				
Legislative and Executive	11,894,042	0	0	0
Judicial	9,353,317	0	0	0
Public Safety	10,808,045	0	0	0
Public Works	1,557,600	11,601,566	0	0
Health	221,038	0	0	9,633,815
Human Services	584,443	0	11,646,681	0
Conservation and Recreation	443,419	0	0	0
Other	159,284	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	8,428	308,824	256,830	0
Interest	3,572	3,825	47,170	0
Total Expenditures	35,033,188	11,914,215	11,950,681	9,633,815
Excess of Revenues Over (Under) Expenditures	13,188,681	(516,583)	(141,389)	1,109,678
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	0
Inception of Lease	49,540	0	0	0
Transfers In	0	0	350,648	0
Transfers Out	(6,913,314)	(144,966)	0	0
Total Other Financing Sources (Uses)	(6,863,774)	(144,966)	350,648	0
Changes in Fund Balance	6,324,907	(661,549)	209,259	1,109,678
Fund Balance Beginning of Year	25,193,128	4,850,021	2,019,315	12,132,072
Fund Balance End of Year	\$31,518,035	\$4,188,472	\$2,228,574	\$13,241,750

See Accompanying Notes to the Basic Financial Statements

American Rescue Plan	Other Governmental	Total
\$0	\$4,424,094	\$13,661,733
0	693,226	20,762,005
0	0	1,204,468
0	3,980,690	9,914,679
0	515,290	564,591
0	198,647	674,411
313,202	19,492,491	55,221,707
0	1,969,042	1,969,042
0	0	390,864
602,127	24,826	6,139,636
0	52,968	52,968
4,037	974,778	4,861,600
<u>919,366</u>	<u>32,326,052</u>	<u>115,417,704</u>
161,685	2,338,335	14,394,062
0	3,969,267	13,322,584
0	2,132,180	12,940,225
0	2,486,111	15,645,277
0	370,089	10,224,942
151,517	10,951,131	23,333,772
0	0	443,419
0	0	159,284
0	8,411,786	8,411,786
0	476,756	1,050,838
0	75,428	129,995
<u>313,202</u>	<u>31,211,083</u>	<u>100,056,184</u>
<u>606,164</u>	<u>1,114,969</u>	<u>15,361,520</u>
0	14,200	14,200
0	133,339	182,879
0	7,120,936	7,471,584
0	(1,618,159)	(8,676,439)
<u>0</u>	<u>5,650,316</u>	<u>(1,007,776)</u>
606,164	6,765,285	14,353,744
<u>322,579</u>	<u>24,129,145</u>	<u>68,646,260</u>
<u>\$928,743</u>	<u>\$30,894,430</u>	<u>\$83,000,004</u>

Allen County, Ohio
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2023

Changes in Fund Balance - Total Governmental Funds \$14,353,744

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/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current year.

Capital Outlay - Nondepreciable Capital Assets	684,576	
Capital Outlay - Depreciable Capital Assets	7,726,914	
Capital Contribution - Nondepreciable Capital Assets	25,300	
Capital Contribution - Depreciable Capital Assets	162,048	
Depreciation/Amortization	<u>(5,688,063)</u>	2,910,775

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net position and is offset against the proceeds from the sale of capital assets resulting in a gain or loss on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(14,200)	
Gain on Disposal of Capital Assets	24,003	
Loss on Disposal of Capital Assets	<u>(11,990)</u>	(2,187)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Delinquent Property Taxes	26,079	
Permissive Sales Taxes	(1,199)	
Charges for Services	(17,125)	
Fines, Forfeitures, and Settlements	815,829	
Intergovernmental	(304,603)	
Special Assessments	405,718	
Investment Earnings and Other Interest	76,843	
Other	<u>86,493</u>	1,088,035

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.

Special Assessment Bonds Payable	90,000	
OPWC Loans Payable	151,862	
OWDA Loans Payable	302,545	
Capital Loans Payable	181,262	
Leases Payable	<u>325,169</u>	1,050,838

The inception of a lease is reported as an other financing source in the governmental funds but increases long-term liabilities on the statement of net position. (182,879)

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities.

Accrued Interest Payable	24,145	
Amortization of Premium	<u>9,084</u>	33,229

(continued)

Allen County, Ohio
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2023
 (continued)

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.		(\$137,438)
Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB liability (asset) are reported as pension/OPEB expense on the statement of activities.		
Pension Expense	(8,326,675)	
OPEB Expense	<u>2,132,368</u>	(6,194,307)
Contractually required pension/OPEB contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.		
Contractually Required Contributions - Pension	5,200,748	
Contractually Required Contributions - OPEB	<u>58,826</u>	<u>5,259,574</u>
 Change in Net Position of Governmental Activities		 <u><u>\$18,179,384</u></u>
 See Accompanying Notes to the Basic Financial Statements		

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$3,008,000	\$3,008,000	\$3,636,452	\$628,452
Permissive Sales Taxes	16,900,000	16,900,000	20,117,991	3,217,991
Charges for Services	4,676,959	4,916,959	5,064,153	147,194
Licenses and Permits	6,300	6,300	7,386	1,086
Fines, Forfeitures, and Settlements	183,000	183,000	337,583	154,583
Intergovernmental	2,179,000	2,179,000	3,118,630	939,630
Interest	1,500,000	1,500,000	4,746,884	3,246,884
Other	901,487	904,350	1,332,980	428,630
Total Revenues	29,354,746	29,597,609	38,362,059	8,764,450
<u>Expenditures</u>				
Current:				
General Government:				
Legislative and Executive	12,767,479	13,676,794	11,625,078	2,051,716
Judicial	9,899,446	10,149,036	9,322,313	826,723
Public Safety	11,854,463	12,150,093	10,769,772	1,380,321
Public Works	1,557,600	1,557,600	1,557,600	0
Health	249,793	249,793	242,794	6,999
Human Services	887,163	887,538	543,632	343,906
Conservation and Recreation	502,925	503,467	443,099	60,368
Other	47,584	235,646	159,284	76,362
Total Expenditures	37,766,453	39,409,967	34,663,572	4,746,395
Excess of Revenues Over (Under) Expenditures	(8,411,707)	(9,812,358)	3,698,487	13,510,845
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	182,000	9,602,017	9,671,685	69,668
Advances In	0	0	2,016,693	2,016,693
Advances Out	0	0	(2,032,511)	(2,032,511)
Transfers Out	(1,806,913)	(6,913,314)	(6,913,314)	0
Total Other Financing Sources (Uses)	(1,624,913)	2,688,703	2,742,553	53,850
Changes in Fund Balance	(10,036,620)	(7,123,655)	6,441,040	13,564,695
Fund Balance Beginning of Year	21,010,319	21,010,319	21,010,319	0
Prior Year Encumbrances Appropriated	140,259	140,259	140,259	0
Fund Balance End of Year	\$11,113,958	\$14,026,923	\$27,591,618	\$13,564,695

See Accompanying Notes to the Basic Financial Statements

Allen County, Ohio
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Permissive Motor Vehicle License Taxes	\$1,200,000	\$1,200,000	\$1,210,964	\$10,964
Charges for Services	790,000	790,000	974,389	184,389
Licenses and Permits	10,000	10,000	42,540	32,540
Fines, Forfeitures, and Settlements	180,000	180,000	186,811	6,811
Intergovernmental	8,721,663	8,721,663	8,775,212	53,549
Interest	20,000	20,000	141,257	121,257
Total Revenues	10,921,663	10,921,663	11,331,173	409,510
<u>Expenditures</u>				
Current:				
Public Works	11,867,862	13,722,559	11,875,507	1,847,052
Debt Service:				
Principal Retirement	308,824	308,824	308,824	0
Interest	4,376	4,376	3,825	551
Total Expenditures	12,181,062	14,035,759	12,188,156	1,847,603
Excess of Revenues Under Expenditures	(1,259,399)	(3,114,096)	(856,983)	2,257,113
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	140,000	140,000	84,291	(55,709)
Transfers Out	(146,933)	(146,933)	(144,966)	1,967
Total Other Financing Sources (Uses)	(6,933)	(6,933)	(60,675)	(53,742)
Changes in Fund Balance	(1,266,332)	(3,121,029)	(917,658)	2,203,371
Fund Balance Beginning of Year	2,397,847	2,397,847	2,397,847	0
Prior Year Encumbrances Appropriated	1,171,191	1,171,191	1,171,191	0
Fund Balance End of Year	\$2,302,706	\$448,009	\$2,651,380	\$2,203,371

See Accompanying Notes to the Basic Financial Statements

Allen County, Ohio
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Job and Family Services Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Charges for Services	\$500	\$500	\$30	(\$470)
Intergovernmental	10,382,500	10,382,500	10,463,849	81,349
Total Revenues	10,383,000	10,383,000	10,463,879	80,879
<u>Expenditures</u>				
Current:				
Human Services	12,613,701	14,139,156	12,970,646	1,168,510
Excess of Revenues Under Expenditures	(2,230,701)	(3,756,156)	(2,506,767)	1,249,389
<u>Other Financing Sources</u>				
Other Financing Sources	1,178,325	1,328,325	1,509,234	180,909
Transfers In	350,648	350,648	350,648	0
Total Other Financing Sources	1,528,973	1,678,973	1,859,882	180,909
Changes in Fund Balance	(701,728)	(2,077,183)	(646,885)	1,430,298
Fund Balance Beginning of Year	1,299,044	1,299,044	1,299,044	0
Prior Year Encumbrances Appropriated	710,176	710,176	710,176	0
Fund Balance (Deficit) End of Year	<u>\$1,307,492</u>	<u>(\$67,963)</u>	<u>\$1,362,335</u>	<u>\$1,430,298</u>

See Accompanying Notes to the Basic Financial Statements

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property Taxes	\$5,714,355	\$5,714,355	\$5,634,615	(\$79,740)
Intergovernmental	2,940,429	2,940,429	3,867,195	926,766
Interest	175	175	2,571	2,396
Other	94,000	94,000	88,317	(5,683)
Total Revenues	8,748,959	8,748,959	9,592,698	843,739
<u>Expenditures</u>				
Current:				
Health	10,283,399	10,448,399	9,360,883	1,087,516
Excess of Revenues Over (Under) Expenditures	(1,534,440)	(1,699,440)	231,815	1,931,255
<u>Other Financing Sources</u>				
Other Financing Sources	774,083	774,083	1,009,497	235,414
Changes in Fund Balance	(760,357)	(925,357)	1,241,312	2,166,669
Fund Balance Beginning of Year	12,063,177	12,063,177	12,063,177	0
Fund Balance End of Year	<u>\$11,302,820</u>	<u>\$11,137,820</u>	<u>\$13,304,489</u>	<u>\$2,166,669</u>

See Accompanying Notes to the Basic Financial Statements

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Interest	\$0	\$0	\$623,898	\$623,898
Other	0	0	4,037	4,037
Total Revenues	<u>0</u>	<u>0</u>	<u>627,935</u>	<u>627,935</u>
<u>Expenditures</u>				
General Government:				
Legislative and Executive	1,107,195	1,107,195	868,845	238,350
Public Safety	2,323,372	12,243,181	9,140,703	3,102,478
Human Services	<u>152,283</u>	<u>152,283</u>	<u>152,283</u>	<u>0</u>
Total Expenditures	<u>3,582,850</u>	<u>13,502,659</u>	<u>10,161,831</u>	<u>3,340,828</u>
Changes in Fund Balance	(3,582,850)	(13,502,659)	(9,533,896)	3,968,763
Fund Balance Beginning of Year	19,597,640	19,597,640	19,597,640	0
Prior Year Encumbrances Appropriated	<u>238,350</u>	<u>238,350</u>	<u>238,350</u>	<u>0</u>
Fund Balance End of Year	<u>\$16,253,140</u>	<u>\$6,333,331</u>	<u>\$10,302,094</u>	<u>\$3,968,763</u>

See Accompanying Notes to the Basic Financial Statements

Allen County, Ohio
Statement of Fund Net Position
Enterprise Fund
December 31, 2023

	Sewer
<u>Assets</u>	
<u>Current Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$8,995,499
Accounts Receivable	3,199,572
Prepaid Items	12,836
Materials and Supplies Inventory	53,487
Interfund Receivable	132,319
	12,393,713
Total Current Assets	12,393,713
<u>Non-Current Assets</u>	
<u>Restricted Assets:</u>	
Net Pension Asset	23,172
Nondepreciable Capital Assets	2,162,097
Depreciable Capital Assets, Net	41,732,621
	43,917,890
Total Non-Current Assets	43,917,890
Total Assets	56,311,603
<u>Deferred Outflows of Resources</u>	
Pension	1,019,456
OPEB	155,231
	1,174,687
Total Deferred Outflows of Resources	1,174,687
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accrued Wages Payable	77,514
Accounts Payable	98,978
Contracts Payable	154,943
Due to Other Governments	39,495
Interfund Payable	12,836
Retainage Payable	47,509
OWDA Loans Payable	1,285,522
Financed Purchases	78,090
Compensated Absences Payable	121,217
	1,916,104
Total Current Liabilities	1,916,104
<u>Non-Current Liabilities</u>	
OWDA Loans Payable	11,918,649
Net Pension Liability	2,445,420
Net OPEB Liability	51,639
Compensated Absences Payable	92,105
	14,507,813
Total Non-Current Liabilities	14,507,813
Total Liabilities	16,423,917
<u>Deferred Inflows of Resources</u>	
Pension	324,183
OPEB	21,526
	345,709
Total Deferred Inflows of Resources	345,709
<u>Net Position</u>	
Net Investment in Capital Assets	30,410,005
Restricted for:	
Pension Plans	23,172
Unrestricted	10,283,487
	\$40,716,664
Total Net Position	\$40,716,664

See Accompanying Notes to the Basic Financial Statements

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Allen County, Ohio
Statement of Revenues, Expenses,
and Change in Fund Net Position
Enterprise Fund
For the Year Ended December 31, 2023

	Sewer
<u>Operating Revenues</u>	
Charges for Services	\$8,062,014
Licenses, Permits, and Inspections	58,000
Other	316,930
Total Operating Revenues	8,436,944
<u>Operating Expenses</u>	
Personal Services	2,233,109
Materials and Supplies	407,773
Contractual Services	2,237,033
Other	2,310
Depreciation	2,321,137
Total Operating Expenses	7,201,362
Operating Income	1,235,582
<u>Non-Operating Revenues (Expenses)</u>	
Interest Revenue	26,968
Interest Expense	(429,280)
Total Non-Operating Revenues (Expenses)	(402,312)
Income before Capital Contributions and Transfers	833,270
Capital Contributions	3,753,569
Transfers In	1,500,000
Transfers Out	(295,145)
Change in Net Position	5,791,694
Net Position Beginning of Year	34,924,970
Net Position End of Year	\$40,716,664

See Accompanying Notes to the Basic Financial Statements

Allen County, Ohio
Statement of Cash Flows
Enterprise Fund
For the Year Ended December 31, 2023

	<u>Sewer</u>
Increase (Decrease) in Cash and Cash Equivalents	
<u>Cash Flows from Operating Activities</u>	
Cash Received from Customers	\$8,002,622
Cash Payments for Personal Services	(2,336,575)
Cash Payments to Suppliers	(778,002)
Cash Payments for Contractual Services	(1,861,923)
Cash Received from Other Revenues	316,930
Cash Payments for Other Expenses	(2,310)
	<u>3,340,742</u>
<u>Net Cash Provided by Operating Activities</u>	
<u>Cash Flows from Noncapital Financing Activities</u>	
Cash Received from Advances Out	(1,381)
Cash Received from Transfers In	1,500,000
Cash Payments for Transfers Out	(121,584)
	<u>1,377,035</u>
<u>Net Cash Provided by Noncapital Financing Activities</u>	
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	(970,263)
Principal Paid on OWDA Loans	(1,365,772)
Interest Paid on OWDA Loans	(425,002)
Principal Paid on Capital Loan	(24,300)
Interest Paid on Capital Loan	(37,373)
Financed Purchase Principal	(75,932)
Financed Purchase Interest	(4,278)
	<u>(2,902,920)</u>
<u>Net Cash Used for Capital and Related Financing Activities</u>	
<u>Cash Flows from Investing Activities</u>	
Interest	26,968
	<u>26,968</u>
<u>Net Increase in Cash and Cash Equivalents</u>	<u>1,841,825</u>
Cash and Cash Equivalents Beginning of Year	7,153,674
Cash and Cash Equivalents End of Year	<u>\$8,995,499</u>

(continued)

Allen County, Ohio
Statement of Cash Flows
Enterprise Fund
For the Year Ended December 31, 2023
(continued)

	Sewer
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided by Operating Activities</u>	
Operating Income	\$1,235,582
<u>Adjustments to Reconcile Operating Income to</u>	
<u>Net Cash Provided by Operating Activities</u>	
Depreciation	2,321,137
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(117,392)
Increase in Prepaid Items	(1,072)
Increase in Materials and Supplies Inventory	(795)
Increase in Net OPEB Asset	(859)
Decrease in Accrued Wages Payable	(8,761)
Increase in Accounts Payable	38,533
Decrease in Contracts Payable	(47,957)
Increase in Due to Other Governments	16,035
Increase in Interfund Payable	1,072
Decrease in Compensated Absences Payable	(19,266)
Increase in Net Pension Liability	142,740
Decrease in Deferred Outflows - Pension	460,055
Decrease in Deferred Inflows - Pension	(600,476)
Decrease in Deferred Outflows - OPEB	124,196
Decrease in Deferred Inflows - OPEB	(202,030)
Total Adjustments	2,105,160
Net Cash Provided by Operating Activities	\$3,340,742

Non-Cash Capital Transactions

At December 31, 2022, the Sanitary Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of \$7,446.

At December 31, 2023, the Sanitary Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of \$202,452.

During 2023, the Sanitary Sewer enterprise fund received assets constructed in governmental funds in the amount of \$3,753,569.

See Accompanying Notes to the Basic Financial Statements

Allen County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Martha Mark Private Purpose Trust	External Investment Pool	Custodial Other Custodial
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$12,596	\$5,532,386	\$21,387,072
Cash and Cash Equivalents in Segregated Accounts	0	0	2,488,277
Due from Other Governments	0	0	5,467,146
Property Taxes Receivable	0	0	136,136,424
Special Assessments Receivable	0	0	18,988,803
Total Assets	12,596	5,532,386	184,467,722
<u>Liabilities</u>			
Due to Other Governments	0	0	5,730,704
<u>Deferred Inflows of Resources</u>			
Property Taxes	0	0	128,462,059
<u>Net Position</u>			
Held in Trust for the Benefit of Children	12,596	0	0
Restricted for Pool Participants	0	5,532,386	0
Restricted for Individuals, Organizations, and other Governments	0	0	50,274,959
Total Net Position	\$12,596	\$5,532,386	\$50,274,959

See Accompanying Notes to the Basic Financial Statements

Allen County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	Custodial	
	External Investment Pool	Other Custodial
<u>Additions</u>		
Investment Earnings and Other Interest	\$239,247	\$0
Intergovernmental Amounts for Other Governments	0	41,152,555
Amounts Received as Fiscal Agent	0	42,138,429
Licenses, Permits, and Fees for Other Governments	0	24,971,023
Fines and Forfeitures for Other Governments	0	1,203,379
Property Tax Collections for Other Governments	0	67,405,765
Other Local Tax Collections for Other Governments	0	419,604
Special Assessments Collections for Other Governments	0	4,716,064
Sheriff Sales Collections for Others	0	1,725,132
Other	0	1,181,265
Total Additions Before Capital Transactions	239,247	184,913,216
Capital Transactions		
Amounts Invested	6,986,279	0
Amounts Distributed	(6,671,490)	0
Net Capital Transactions	314,789	0
Total Additions	554,036	184,913,216
<u>Deductions</u>		
Distributions to Participants	239,247	0
Distributions to the State of Ohio	0	802,228
Distributions of State Funds to Other Governments	0	41,274,711
Distributions as Fiscal Agent	0	39,794,253
Distributions to Individuals	0	713,593
Licenses, Permits, and Fees Distributions to Other Governments	0	24,638,746
Fines and Forfeitures Distributions to Other Governments	0	1,099,295
Property Tax Distributions to Other Governments	0	67,438,871
Other Local Tax Distributions to Other Governments	0	419,604
Special Assessments Distributions to Other Governments	0	3,400,942
Sheriff Sales Distributions to Others	0	1,640,807
Total Deductions	239,247	181,223,050
Change in Net Position	314,789	3,690,166
Net Position Beginning of Year	5,217,597	46,584,793
Net Position End of Year	\$5,532,386	\$50,274,959

See Accompanying Notes to the Basic Financial Statements

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 - Reporting Entity

Allen County, Ohio (the County) was created in 1831. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, two Common Pleas Court Judges, a Probate/Juvenile Court Judge, and a Domestic Relations Court Judge.

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

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

A. Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Allen County, this includes the Child Support Enforcement Agency, the Children's Services Board, the Board of Developmental Disabilities (DD), and all departments and activities that are directly operated by the elected County officials.

B. Component Units

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

Discretely Presented Component Unit

The component unit column on the government-wide financial statements identifies the financial data of the County's component units, LODDI and the Allen County Land Reutilization Corporation (Land Bank). They are reported separately to emphasize that they are legally separate from the County. Information about the component units is presented in Notes 26 and 27 to the basic financial statements.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 - Reporting Entity (continued)

LODDI - LODDI, Inc. (Living Options for Developmentally Disabled Individuals) is a legally separate non-profit organization served by a self-appointing board of trustees. LODDI was incorporated on December 1, 1992, to provide lifetime affordable housing to individuals in Allen County with developmental disabilities. Due to a significant portion of LODDI's income being received from the Allen County Board of DD and because the Allen County Board of DD assumes the responsibility for all debts of LODDI upon dissolution, LODDI is reflected as a component unit of Allen County. LODDI operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from LODDI, 2500 Ada Road, Lima, Ohio 45801.

Allen County Land Reutilization Corporation - The Allen County Land Reutilization Corporation (Land Bank) is a county land reutilization corporation that was formed on January 7, 2016, when the Allen County Board of Commissioners authorized the incorporation of the Land Bank under Chapters 1724 and 1702 of the Ohio Revised Code through a resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Land Bank is to strengthen neighborhoods in the County by returning vacant and abandoned properties to productive use. The Land Bank has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax-foreclosed, or other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

The Land Bank is governed by a five member Board of Directors, consisting of two County Commissioners, the County Treasurer, one representative from the City of Lima, and one representative selected by the statutory directors. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the Land Bank and the management and control of its properties. Because the County makes up and/or appoints a voting majority of the Board of Directors, the County is able to impose its will on the operation of the Land Bank and the relationship between the primary government and the organization is such that exclusion would cause the County's financial statements to be misleading. Separately issued financial statements can be obtained from the Allen County Land Reutilization Corporation, 301 North Main Street, Suite 203, Lima, Ohio 45801.

As custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the separate organizations listed below, the County serves as fiscal agent, but the organizations are not considered part of Allen County. The North Central Ohio Solid Waste District and the Johnny Appleseed Metropolitan Park District are reported as external investment pool custodial funds. The remaining organizations are reported as other custodial funds within the financial statements.

- Mental Health and Recovery Services Board of Allen, Auglaize, and Hardin Counties
- Combined Allen County General Health District
- Allen County Family and Children First Council
- Allen County Soil and Water Conservation District
- Special Emergency Planning Commission
- District Court of Appeals
- Lima-Allen County Regional Planning Commission
- Western Ohio Regional Treatment and Habilitation (WORTH) Center
- Allen Water District
- Allen County Transportation Improvement District

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 - Reporting Entity (continued)

Allen County Veterans Memorial Civic and Convention Center

The County participates in several joint ventures, jointly governed organizations, insurance pools, and related organizations. These organizations are presented in Notes 22, 23, 24, and 25 to the basic financial statements. These organizations are:

Lima-Allen County Downtown Construction
Mental Health and Recovery Services Board of Allen, Auglaize, and Hardin Counties
Lima-Allen County Regional Planning Commission
North Central Ohio Solid Waste District
Western Ohio Regional Treatment and Habilitation (WORTH) Center
Lima-Allen County Joint Parking Commission
County Risk Sharing Authority, Inc. (CORSA)
County Employee Benefits Consortium of Ohio, Inc. (CEBCO)
Port Authority of Allen County
Allen County Regional Airport Authority
Allen County Transportation Improvement District
Allen County Veterans Memorial Civic and Convention Center

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

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

Motor Vehicle and Gasoline Tax - This fund accounts for monies derived from gasoline taxes and the sale of motor vehicle licenses. Expenditures are restricted by State law to county road and bridge repair/improvement programs.

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

American Rescue Plan - This fund accounts for resources received from the federal government under the American Rescue Plan Act restricted to expenditures to support the County during the Coronavirus public health emergency.

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

Proprietary Funds

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

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

Sewer - This fund accounts for user charges for sewer service provided to residents of Allen County.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The County reports the external portion of its investment pool in a separate external investment pool fund column under the custodial fund classification as these amounts are not held in a trust that meets the specified criteria. Other custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

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

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 County are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements

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

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

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from fiduciary 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; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, 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 thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty-one days after year end.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

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

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. Deferred outflows of resources are reported on the government-wide and enterprise fund statements of net position for pension and OPEB and explained in Notes 16 and 17 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 County, deferred inflows of resources include property taxes, leases, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner of the term of the lease. 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 County, unavailable revenue includes accrued interest, permissive sales taxes, intergovernmental revenue including grants, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 23. Deferred inflows of resources related to pension and OPEB are reported on the government-wide and enterprise fund statements of net position and explained in Notes 16 and 17 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

E. Budgetary Process

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

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

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

F. Cash and Investments

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

Cash and cash equivalents that are held separately within departments of the County or by an escrow agent are recorded as "Cash and Cash Equivalents in Segregated Accounts", and "Cash and Cash Equivalents with Escrow Agent", respectively.

Cash and cash equivalents and investments of the component units are held by the component units and are recorded as "Cash and Cash Equivalents in Segregated Accounts" or "Investments in Segregated Accounts".

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

During 2023, the County invested in nonnegotiable and negotiable certificates of deposit, federal agency securities, United States treasury notes, mutual funds, and STAR Ohio. Investments are reported at fair value, except for nonnegotiable certificates of deposit which are reported at cost. Fair value is based on quoted market price or current share price. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The County measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Investment earnings and other interest are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Investment earnings and other interest credited to the General Fund during 2023 was \$5,365,870, which includes \$3,911,559 assigned from other County funds.

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

G. Prepaid Items

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

H. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that have a legal restriction on their use are reported as restricted. Restricted assets in the enterprise fund represent amounts held in trust by the pension plans for future benefits.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

J. Capital Assets

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

All capital assets (except for intangible right to use lease assets which are discussed below) 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 County 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.

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

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

	Governmental Activities	Business-Type Activity
Buildings and Improvements	20-35 years	35 years
Machinery and Equipment	12 years	12-40 years
Vehicles	6 years	6 years
Furniture, Fixtures, and Equipment	5-10 years	10 years
Roads	15-20 years	n/a
Bridges	50 years	n/a
Infrastructure	n/a	35 years
Intangible Right to Use Assets	3-25 years	n/a

The County is reporting intangible right to use assets related to lease assets. The lease assets include buildings and vehicles and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. Subsequently, these intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

K. Interfund Assets/Liabilities

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

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Deferred outflows of resources and deferred inflows of resources from the change in internal proportionate share related to pension/OPEB items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column on the government-wide statement of net position.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the County's past experience of making termination payments. Accumulated unused sick leave is paid to employees who retire at various rates depending on length of service and department policy.

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, 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. Special assessment bonds, long-term loans, capital loans, and leases are recognized as liabilities on the governmental fund financial statements when due. The 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 to pay those benefits.

N. Unamortized Bond Premium

Bond premiums are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable.

Note 2 - Summary of Significant Accounting Policies (continued)

O. 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, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily includes resources restricted for various law enforcement activities and activities of the County's courts. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Restricted net position for the pension plans represent the corresponding restricted asset amount after considering the related deferred outflows and deferred inflows.

P. Leases

The County serves as lessee and lessor in various noncancellable leases which are accounted for as follows:

Lessee - At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amounts of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor - At the commencement of a lease, the County initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivables adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Q. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in 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. It also includes the long-term portion of interfund receivables, where applicable.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

Committed - The committed classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the County Commissioners. The committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Commissioners. Fund balance policy of the County Commissioners authorizes department managers to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The County Commissioners have also assigned fund balance to cover a gap between estimated resources and appropriations in the 2024 budget. Certain resources have also been assigned for auto titling, for the clerk of courts, economic development, and for other miscellaneous purposes.

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

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

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

R. Operating Revenues and Expenses

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

S. Settlement Monies

During 2023, Ohio reached a settlement agreement with Monsanto. As a participating subdivision, the County received a settlement payment of \$27,414 during 2023. This amount is reflected as miscellaneous revenue in the Monsanto Settlement fund in the accompanying financial statements.

T. Capital Contributions

Capital contributions arise from contributions from outside sources and from other funds of the County.

U. Interfund Transactions

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

V. Pensions/Other Postemployment Benefits (OPEB)

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

W. 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 - Changes in Accounting Principles

For 2023, the County implemented Governmental Accounting Standards Board (GASB) No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The County did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The County did not have any contracts that met the GASB 96 definition of a SBITA, other than short-term SBITAs.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

For 2023, the County also implemented the guidance in GASB's Implementation Guide No. 2021-1, *Implementation Guidance Update-2021* (other than question 5.1).

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 4 - Accountability and Compliance

A. Accountability

At December 31, 2023, the Handgun License, Wellness, and CDBG special revenue funds, the special assessment bond retirement debt service fund, and the Water Projects, Sewer Projects, Ditch Construction, and Baughman Ditch capital projects funds had a deficit fund balance, in the amount of \$2,767, \$1,308, \$59,575, \$7,262, \$20,004, \$2,400, \$1,051,703, and \$203,692, respectfully. These deficits are a result of the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Compliance

At December 31, 2023, the Job and Family Services special revenue fund, and the Sewer Projects and Marimor Permanent Improvement capital projects had final appropriations in excess of estimated resources plus available balances, in the amount of \$67,963, \$2,012,791, and \$1,125,559.

Note 5 - Budgetary Basis of Accounting

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

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 5 - Budgetary Basis of Accounting (continued)

Adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

	Changes in Fund Balance				
	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Developmental Disabilities	American Rescue Plan
GAAP Basis	\$6,324,907	(\$661,549)	\$209,259	\$1,109,678	\$606,164
<u>Increase (Decrease) Due To</u>					
Revenue Accruals					
Accrued 2022, Received in Cash 2023	2,073,997	660,753	546,957	94,890	(19,582,776)
Accrued 2023, Not Yet Received in Cash	(1,877,726)	(640,574)	(536,750)	(189,797)	19,269,574
Expenditure Accruals:					
Accrued 2022, Paid in Cash 2023	(1,113,623)	(268,016)	(794,065)	(368,091)	(1,205)
Accrued 2023, Not Yet Paid in Cash	1,586,483	258,804	575,011	644,355	(9,847,424)
Cash Adjustments					
Unrecorded Activity 2022	333,126	92,294	211,693	270,047	70,570
Unrecorded Activity 2023	(788,882)	(93,671)	(70,304)	(325,428)	(48,799)
Prepaid Items	(22,655)	252,189	(3,498)	(2,946)	0
Materials and Supplies Inventory	(3,768)	(39,400)	(2,921)	8,604	0
Payment on Notes Receivable	65,155	0	0	0	0
Advances In	2,016,693	0	0	0	0
Advances Out	(2,032,511)	0	0	0	0
Encumbrances Outstanding at					
Year End (Budget Basis)	(120,156)	(478,488)	(782,267)	0	0
Budget Basis	<u>\$6,441,040</u>	<u>(\$917,658)</u>	<u>(\$646,885)</u>	<u>\$1,241,312</u>	<u>(\$9,533,896)</u>

Note 6 - Deposits and Investments

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demands upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 6 - Deposits and Investments (continued)

Monies held by the County, which are not considered active, are classified as inactive. Inactive monies may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts in eligible institutions pursuant to Ohio Revised Code Section 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization or consisting exclusively of obligations described in division (1) or (2) above; commercial paper as described in Ohio Revised Code Section 135.143(6); and repurchase agreements secured by such obligations provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio in either of the following if training requirements have been met:
 - a. commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized statistical rating organizations, which do not exceed 10 percent of the value of the outstanding commercial paper of the issuing corporation, which mature within two hundred seventy days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate of 5 percent of interim monies available for investment at the time of purchase

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 6 - Deposits and Investments (continued)

- b. bankers acceptances that are insured by the federal deposit insurance corporation and which mature not later than one hundred eighty days after purchase;
- 10. Up to 15 percent of the County's average portfolio in notes issued by United States corporations or by depository institutions that are doing business under authority granted by the United States provided the notes are rated in the three highest categories by at least two nationally recognized statistical rating organizations at the time of purchase and the notes mature not later than three years after purchase;
- 11. A current unpaid or delinquent tax line of credit provided certain conditions are met related to a County land reutilization corporation organized under Ohio Revised Code Chapter 1724; and,
- 12. Up to 2 percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized statistical rating organizations and issued by foreign nations diplomatically recognized by the United States government subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

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

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

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

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 6 - Deposits and Investments (continued)

Investments

As of December 31, 2023, the County had the following investments:

Measurement/Investment	Measurement Amount	Investment Maturities (in Years)	
		Less Than 1	1-5
Fair Value (Level 1 Inputs)			
Mutual Funds	\$19,215,322	\$19,215,322	\$0
Fair Value (Level 2 Inputs)			
Federal Home Loan Bank Notes	6,469,603	1,449,030	5,020,573
Federal Home Loan Mortgage Notes	3,925,860	0	3,925,860
United States Treasury Notes	7,366,055	3,441,055	3,925,000
Fair Value (Level 3 Inputs)			
Negotiable Certificates of Deposit	13,540,484	357,294	13,183,190
Net Asset Value Per Share			
STAR Ohio	71,294,079	71,294,079	0
Total Investments	\$121,811,403	\$95,756,780	\$26,054,623

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the County's recurring fair value measurements as of December 31, 2023. The mutual funds are measured at fair value using quoted market prices (Level 1 inputs). The County's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/ dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs). The negotiable certificates of deposit measured at fair value are valued using Level 3 inputs.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the County.

The mutual funds carry a rating of Aaa-mf by Moody's. The federal agency securities and U.S. Treasury securities carry a rating of Aaa by Moody's. The negotiable certificates of deposit are generally covered by FDIC insurance. STAR Ohio carries a rating of AAAM by Standard and Poor's. The County has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization and STAR Ohio must maintain the highest rating by at least one nationally recognized statistical rating organization.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 6 - Deposits and Investments (continued)

The County places no limit on the amount of its inactive monies it may invest in a particular security. The following table indicates the percentage of each investment to the County's total portfolio.

	Fair Value	Percentage of Portfolio
Federal Home Loan Bank Notes	\$6,469,303	5.31%
Federal Home Loan Mortgage Notes	3,925,860	3.22
United States Treasury Notes	7,366,055	6.05
Negotiable Certificates of Deposit	13,540,484	11.12

Note 7 - Investment Pool

The County serves as fiscal agent for the North Central Ohio Solid Waste District and the Johnny Appleseed Metropolitan Park District, legally separate entities. The County pools the monies of these entities with the County's for investment purposes. Participation in the pool is voluntary. The County cannot allocate its investments between the internal and external investment pools. The investment pool is not registered with the SEC as an investment company. The fair value of investments is determined annually. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of interest that it earns.

Condensed financial information for the investment pool is as follows:

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$127,489,031
Accrued Interest Receivable	199,884
Total Assets	\$127,688,915
 <u>Net Position Held in Trust for Pool Participants</u>	
Internal Portion	\$122,156,529
External Portion	5,532,386
Total Net Position Held in Trust for Pool Participants	\$127,688,915

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 7 - Investment Pool (continued)

Statement of Changes in Net Position
For the Year Ended December 31, 2023

<u>Additions</u>	
Investment Earnings	\$6,405,851
Capital Transactions	8,700,468
Total Additions	<u>15,106,319</u>
<u>Deductions</u>	
Distributions to Participants	<u>(5,795,580)</u>
Change in Net Position	9,310,739
Net Position Beginning of Year	<u>118,378,176</u>
Net Position End of Year	<u><u>\$127,688,915</u></u>

See Note 6 for description of investments.

Note 8 - Receivables

Receivables at December 31, 2023, consisted of accounts (e.g., billings for user charged services, including unbilled charges); accrued interest; permissive sales and motor vehicle license taxes; intergovernmental receivables arising from grants, entitlements, and shared revenues; interfund; property taxes; leases, notes; and special assessments. All receivables are considered fully collectible within one year, except for interfund, property taxes, notes, and special assessments. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Notes receivable, in the amount of \$272,521, will not be received within one year. Special assessments receivable, in the amount of \$1,278,452 will not be received within one year. At December 31, 2023, the amount of delinquent special assessments was \$232,056.

Notes receivable represent low interest loans for development projects granted to eligible County residents and businesses under the Housing Assistance Program and the Federal Community Development Block Grant program. The notes have interest rates ranging from zero to 4.25 percent and are to be repaid over periods ranging from five to twenty-four years. The County also made a loan to the Veteran's Memorial Civic and Convention Center for lighting improvements. The note has an annual interest rate of 2 percent and will be repaid over five years.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 8 - Receivables (continued)

A summary of the changes in notes receivable during 2023 follows:

	Balance December 31, 2022	New Loans	Repayments	Balance December 31, 2023
General Fund				
Veteran's Memorial Civic and Convention Center	\$199,399	\$0	\$65,155	\$134,244
Special Revenue Funds				
Revolving Loan Fund				
Housing Assistance Program	199,940	0	14,096	185,844
Community Development Block Grant	143,890	0	42,649	101,241
Total Revolving Loan Fund	343,830	0	56,745	287,085
	<u>\$543,229</u>	<u>\$0</u>	<u>\$121,900</u>	421,329
Less Allowance for Uncollectible Accounts				(25,606)
				<u>\$395,723</u>

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the County reported \$821,813 as a receivable related to opioid settlement monies in the OneOhio Opioid special revenue fund in the accompanying financial statements. Collections of these settlement monies are expected to extend through 2038 with \$93,340 expected to be collected in 2024.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Local Government	\$607,812
Election Costs	97,896
Homestead and Rollback	206,413
Indigent Defense	131,153
Bureau of Workers' Compensation	2,404
Total General Fund	<u>1,045,678</u>

(continued)

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 8 - Receivables (continued)

	Amount
Governmental Activities (continued)	
Major Funds (continued)	
Motor Vehicle and Gasoline Tax	
Gasoline Tax	\$1,877,892
Motor Vehicle License Fees	1,315,738
Charges for Services	9,132
Total Motor Vehicle and Gasoline Tax	3,202,762
Job and Family Services	
Department of Job and Family Services	2,088,078
Bureau of Workers' Compensation	19
Total Job and Family Services	2,088,097
Developmental Disabilities	
Allen County Educational Service Center	399
Bureau of Workers' Compensation	862
State of Ohio	276,278
Homestead and Rollback	273,402
Total Developmental Disabilities	550,941
Total Major Funds	6,887,478
Governmental Activities	
Nonmajor Funds	
Drug Law Enforcement	
Department of Public Safety	41,921
Sheriff's Grants	65,993
Total Drug Law Enforcement	107,914
Child Support Enforcement Agency	
Child Support Enforcement	290,036
Children Services	
Department of Job and Family Services	800,583
Mental Health and Recovery Services Board	5,291
State of Ohio	21,992
Homestead and Rollback	119,776
Total Children Services	947,642
Law Library	
City of Lima	13,302
Felony Care and Subsidy	
Ohio Department of Youth Services	242,493

(continued)

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 8 - Receivables (continued)

	Amount
Governmental Activities (continued)	
Nonmajor Funds (continued)	
Adult Probation Grant	
Ohio Department of Rehabilitation and Correction	\$678,917
Emergency Management Agency	
Emergency Management Grants	8,754
Future Debt Service	
Homestead and Rollback	93,825
Sewer Projects	
City of Lima	5,321
Ohio Department of Development	45,750
Total Sewer Projects	51,071
Marimor Permanent Improvement	
Homestead and Rollback	23,773
Building and Expansion	
Casino Tax	724,838
Baughman Ditch	
Ohio Department of Natural Resources	203,692
Total Nonmajor Funds	3,386,257
Total Governmental Activities	\$10,273,735
 Custodial Funds	
Local Government	\$1,764,225
Library Local Government	2,244,723
Gasoline Tax	971,602
Motor Vehicle License Fees	486,596
Total Custodial Funds	\$5,467,146

The County is reporting leases receivable of \$2,754,454 in governmental funds at December 31, 2023. These amounts represent the discounted future lease payments. The discount is being amortized using the interest method. For 2023, the County recognized lease revenue of \$384,660 and \$6,204 and interest revenue of \$66,867 and \$574 in the General Fund and the Job and Family Services special revenue fund, respectively, related to lease payments received. The lease revenue amounts exclude short-term leases.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 8 - Receivables (continued)

A description of the County's leasing arrangements is as follows:

The following is a list of lease agreements:

Company	Lease Commencement Date	Years	Lease Ending Date	Payment Method
Third District Court of Appeals	2017	20	2036	Monthly
Ohio Department of Public Safety	2021	8	2029	Monthly
Ohio Department of Public Safety	2021	8	2029	Quarterly
Northwest Title	2020	15	2035	Monthly
Cory, Meredith, Witter & Smith, LPA	2021	10	2031	Monthly
Lima Properties	2019	10	2028	Monthly
Lima Retirement	2021	5	2026	Monthly
SBA Tower	2005	30	2035	Monthly
State of Ohio	2023	2	2025	Quarterly

A summary of future lease revenue is as follows:

Year	Governmental Funds	
	Principal	Interest
2024	\$395,684	\$58,529
2025	402,032	49,179
2026	298,383	40,904
2027	250,680	36,205
2028	256,237	31,731
2029-2033	783,359	99,021
2034-2037	368,079	16,427
	<u>\$2,754,454</u>	<u>\$331,996</u>

Note 9 - Permissive Sales and Use Tax

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

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 10 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Real property tax revenues received in 2023 represent the collection of 2022 taxes. Real property taxes received in 2023 were levied after October 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2023 represent the collection of 2022 taxes. Public utility real and tangible personal property taxes received in 2023 became a lien on December 31, 2021, were levied after October 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. The amount of the County's tax collections is accounted for within the applicable funds.

Accrued property taxes receivable represents real, public utility, and outstanding delinquent property taxes which were measurable as of December 31, 2023, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2023 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue; on the modified accrual basis, the revenue has been reported as deferred inflows of resources - unavailable revenue.

The full tax rate for all County operations for the year ended December 31, 2023, was \$11.40 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2023 property tax receipts were based are as follows:

Real Property	
Residential	\$1,537,113,750
Agriculture	181,943,150
Commercial/Industrial/Mineral	474,900,790
Public Utility Property	
Real	1,721,160
Personal	255,652,840
Total Assessed Value	<u><u>\$2,451,331,690</u></u>

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 11 - Capital Assets

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

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$3,877,516	\$335,841	\$0	\$4,213,357
Construction in Progress	3,301,051	5,982,070	(5,608,035)	3,675,086
Total Nondepreciable Capital Assets	7,178,567	6,317,911	(5,608,035)	7,888,443
Depreciable Capital Assets				
Tangible Assets				
Buildings and Improvements	72,697,813	2,543,271	(18,252)	75,222,832
Machinery and Equipment	4,074,184	986,222	(66,355)	4,994,051
Vehicles	5,012,882	715,034	(46,630)	5,681,286
Furniture, Fixtures, and Equipment	7,443,849	371,833	(105,554)	7,710,128
Roads	39,140,269	1,430,247	0	40,570,516
Bridges	37,215,054	1,690,476	0	38,905,530
Total Tangible Assets	165,584,051	7,737,083	(236,791)	173,084,343
Intangible Assets-Lease Assets				
Intangible Right to Use Assets - Building	6,559,554	49,540	0	6,609,094
Intangible Right to Use Assets - Vehicles	71,299	133,339	0	204,638
Total Lease Assets	6,630,853	182,879	0	6,813,732
Total Depreciable Capital Assets	172,214,904	7,919,962	(236,791)	179,898,075
Less Accumulated Depreciation/Amortization for Depreciation				
Buildings and Improvements	(45,597,272)	(1,382,532)	6,262	(46,973,542)
Machinery and Equipment	(2,228,230)	(232,358)	45,158	(2,415,430)
Vehicles	(3,468,411)	(539,908)	46,630	(3,961,689)
Furniture, Fixtures, and Equipment	(4,578,655)	(460,928)	105,554	(4,934,029)
Roads	(24,669,329)	(1,877,624)	0	(26,546,953)
Bridges	(14,653,877)	(851,497)	0	(15,505,374)
Total Depreciation	(95,195,774)	(5,344,847)	203,604	(100,337,017)
Intangible Assets-Lease Assets				
Intangible Right to Use Assets - Buildings	(309,128)	(319,036)	0	(628,164)
Intangible Right to Use Assets - Vehicles	(18,807)	(24,180)	0	(42,987)
Total Lease Assets	(327,935)	(343,216)	0	(671,151)
Total Accumulated Depreciation/Amortization	(95,523,709)	(5,688,063)	203,604	(101,008,168)
Total Depreciable Capital Assets, Net	76,691,195	2,231,899	(33,187)	78,889,907
Governmental Activities				
Capital Assets, Net	\$83,869,762	\$8,549,810	(\$5,641,222)	\$86,778,350

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 11 - Capital Assets (continued)

During 2023, the County accepted contributions of non-depreciable and depreciable capital assets from outside sources with a fair value of \$25,300 and \$162,048, respectively.

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023
Business-Type Activity				
Nondepreciable Capital Assets				
Land	\$51,219	\$0	\$0	\$51,219
Construction in Progress	1,225,123	885,755	0	2,110,878
Total Nondepreciable Capital Assets	<u>1,276,342</u>	<u>885,755</u>	<u>0</u>	<u>2,162,097</u>
Depreciable Capital Assets				
Buildings and Improvements	3,551,806	0	0	3,551,806
Machinery, Equipment, and Vehicles	3,303,541	0	(218,941)	3,084,600
Infrastructure	80,351,846	4,033,083	0	84,384,929
Total Depreciable Capital Assets	<u>87,207,193</u>	<u>4,033,083</u>	<u>(218,941)</u>	<u>91,021,335</u>
Less Accumulated Depreciation for				
Buildings and Improvements	(1,723,702)	(101,480)	0	(1,825,182)
Machinery, Equipment, and Vehicles	(2,127,377)	(200,851)	218,941	(2,109,287)
Infrastructure	(43,335,439)	(2,018,806)	0	(45,354,245)
Total Accumulated Depreciation	<u>(47,186,518)</u>	<u>(2,321,137)</u>	<u>218,941</u>	<u>(49,288,714)</u>
Total Depreciable Capital Assets, Net	<u>40,020,675</u>	<u>1,711,946</u>	<u>0</u>	<u>41,732,621</u>
Business-Type Activity				
Capital Assets, Net	<u>\$41,297,017</u>	<u>\$2,597,701</u>	<u>\$0</u>	<u>\$43,894,718</u>

Business-type activities accepted a contribution of capital assets from governmental activities, in the amount of \$3,753,569.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	Depreciation	Amortization	Total
General Government			
Legislative and Executive	\$604,575	\$13,951	\$618,526
Judicial	304,651	54,300	358,951
Public Safety	497,159	0	497,159
Public Works	3,199,928	0	3,199,928
Health	338,275	20,137	358,412
Human Services	168,190	254,828	423,018
Conservation and Recreation	232,069	0	232,069
Total Depreciation/Amortization Expense			
Governmental Activities	<u>\$5,344,847</u>	<u>\$343,216</u>	<u>\$5,688,063</u>

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 12 - Interfund Receivables/Payables

Interfund balances at December 31, 2023, consisted of the following receivables and payables:

Due to General Fund from:	
Motor Vehicle and Gasoline Tax	\$20,108
Job and Family Services	37,578
Developmental Disabilities	31,146
Other Governmental	2,300,585
Sewer	12,836
Total Due to General Fund	<u><u>\$2,402,253</u></u>
Due to Motor Vehicle and Gasoline Tax Fund from:	
General	\$530
Other Governmental	1,346
Total Due to Motor Vehicle and Gasoline Tax Fund	<u><u>\$1,876</u></u>
Due to Job and Family Services Fund from:	
Other Governmental	<u><u>\$167,730</u></u>
Due to Other Governmental Funds from:	
General Fund	\$1,114
Other Governmental	227,040
Total Due to Other Governmental Funds	<u><u>\$228,154</u></u>
Due to Sewer Fund from:	
Other Governmental	<u><u>\$132,319</u></u>

The balance due to the General Fund includes loans made to provide working capital for operations or projects, or to provide cash flow resources. The remaining interfund receivables/payables resulted from the time lag between dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund receivables not expected to be repaid within one year include \$553,938 to the General Fund, \$200,000 to other governmental funds, and \$130,938 to the Sewer enterprise fund.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 13 - Risk Management

A. Workers' Compensation

The County's workers' compensation coverage is provided by the State of Ohio. The County pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

B. Other Insurance Coverage

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the County contracted with the County Risk Sharing Authority, Inc. (CORSA) for insurance coverage. The CORSA program has a \$2,500 to \$25,000 deductible. Coverage provided by CORSA is as follows:

General Liability	\$1,000,000
Excess Liability	
Layer I	4,000,000
Layer II	5,000,000
Law Enforcement Professional Liability	1,000,000
Public Officials Errors and Omissions Liability	1,000,000
Privacy and Security Liability	250,000
Automobile Liability	1,000,000
Uninsured Motorists Liability	250,000
Building and Contents	397,529,291
Other Property Insurance	
Automobile Physical Damage	Actual Cash Value or Cost
Flood and Earthquake	125,000,000
Comprehensive Boiler and Machinery	100,000,000
Crime Insurance	
Faithful Performance	1,000,000
Money and Securities	1,000,000
Depositor's Forgery	1,000,000
Money Order and Counterfeit Paper	1,000,000

There has been no significant reduction in insurance coverage from 2022 and settled claims have not exceeded this coverage in the past three years. The County pays all elected officials' bonds by statute.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 14 - Construction and Other Significant Commitments

The County had various outstanding contracts at December 31, 2023. The following amounts remain on these contracts.

Vendor	Outstanding Balance
Access Engineering Solutions	\$189,000
Aheliotech Services, Ltd	10,500
All Temp Refrigeration	262,158
Allen County Children's Board	500,000
Allen County Common Pleas Court	150,095
Allen County Regional Transit	12,157
Allen County Sheriff	33,435
Basinger Process Services, LLC	64,775
Beaverdam Contracting Inc.	1,389,207
Bluffton Paving, Inc.	448,444
Brockrath & Associates Engineers	12,134
Bullock Home Care, LLC	63,603
Courtview Justice Solutions	65,724
Enterprise FM Trust	45,743
Farber Specialty Vehicles	444,543
Fishel Downey Albrecht & Riepenhoff, LLC	23,249
Garmann/Miller & Associates	38,500
Imagesoft, Inc.	19,215
Integrity Contractors, LLC	74,613
K & P Medical Transport	63,848
Kalida Truck Equipment, Inc.	19,500
Kohli & Kaliher Association LTD, Inc.	71,129
Martin Investigative Services	62,188
Maximus Consulting Services	30,000
MS Consultants, Inc.	1,342,907
Peterson Construction	685,794
Raabe Ford Lincoln Mercury	70,270
Tawa Tree Service	15,146
Transportation Services	124,175
Treasurer of State of Ohio	40,897
Vances Outdoor, Inc.	19,874
WDC Group, LLC	851,968

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 14 - Construction and Other Significant Commitments (continued)

At year end, the amount of significant encumbrances expected to be honored upon performance by the vendor in 2023 are as follows:

General Fund	\$120,156
Motor Vehicle and Gasoline Tax Fund	478,488
Job and Family Services Fund	782,267
Other Governmental Funds	3,925,976
	<u>5,306,887</u>

Note 15 - Asset Retirement Obligation

Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the County would be responsible to address any public safety issues associated with their waste water treatment facilities. Any ARO associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

Note 16 - Defined Benefit Pension Plan

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

Net Pension Liability (Asset)/Net OPEB Liability

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

Note 16 - Defined Benefit Pension Plan (continued)

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 *net pension asset* or a long-term *net pension/OPEB 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 17 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 16 - Defined Benefit Pension Plan (continued)

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 16 - Defined Benefit Pension Plan (continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 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 members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 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.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 16 - Defined Benefit Pension Plan (continued)

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

	State and Local			
	Traditional	Combined	Public Safety	Law Enforcement
2023 Statutory Maximum Contribution Rates				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
 2023 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 are not used to fund the defined benefit retirement allowance.

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

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

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

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

For 2023, the County's contractually required contribution was \$5,243,551 for the traditional plan, \$154,694 for the combined plan and \$131,566 for the member-directed plan. Of these amounts, \$487,442 is reported as an intergovernmental payable for the traditional plan, \$14,130 for the combined plan, and \$9,867 for the member-directed plan.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 16 - Defined Benefit Pension Plan (continued)

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the County's defined benefit pension plans:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.22627408%	0.26872220%	0.00000000%	
Prior Measurement Date	<u>0.23063376%</u>	<u>0.25653640%</u>	<u>0.00021353%</u>	
Change in Proportionate Share	<u><u>-0.00435968%</u></u>	<u><u>0.01218580%</u></u>	<u><u>-0.00021353%</u></u>	
Proportionate Share of the:				
Net Pension Liability	\$66,841,464	\$0	\$0	\$66,841,464
Net Pension Asset	0	633,353	0	633,353
Pension Expense	8,824,518	81,972	(379,999)	8,526,491

The County no longer participates in STRS. Any remaining deferred inflows and deferred outflows were expensed in 2023. 2023 pension expense for the member-directed defined contribution plan was \$131,566. The aggregate pension expense for all pension plans was \$8,658,057 for 2023.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 16 - Defined Benefit Pension Plan (continued)

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

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$2,220,193	\$38,939	\$2,259,132
Changes of assumptions	706,133	41,930	748,063
Net difference between projected and actual earnings on pension plan investments	19,051,917	230,820	19,282,737
Changes in proportion and differences between County contributions and proportionate share of contributions	0	1,895	1,895
County contributions subsequent to the measurement date	<u>5,243,551</u>	<u>154,694</u>	<u>5,398,245</u>
Total Deferred Outflows of Resources	<u><u>\$27,221,794</u></u>	<u><u>\$468,278</u></u>	<u><u>\$27,690,072</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$90,498	\$90,498
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>950,103</u>	<u>81,732</u>	<u>1,031,835</u>
Total Deferred Inflows of Resources	<u><u>\$950,103</u></u>	<u><u>\$172,230</u></u>	<u><u>\$1,122,333</u></u>

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 16 - Defined Benefit Pension Plan (continued)

\$5,398,245 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Year Ending December 31:			
2024	\$1,785,216	(\$3,217)	\$1,781,999
2025	4,302,059	29,877	4,331,936
2026	5,607,906	46,332	5,654,238
2027	9,332,959	86,461	9,419,420
2028	0	(13,207)	(13,207)
Thereafter	0	(4,892)	(4,892)
Total	\$21,028,140	\$141,354	\$21,169,494

Actuarial Assumptions - OPERS

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

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

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 16 - Defined Benefit Pension Plan (continued)

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 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

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

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 16 - Defined Benefit Pension Plan (continued)

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$100,126,280	\$66,841,464	\$39,154,467
OPERS Combined Plan	(330,528)	(633,353)	(873,347)

Note 17 - Defined Benefit OPEB Plan

See Note 16 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

Note 17 - Defined Benefit OPEB Plan (continued)

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 traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

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

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

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

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

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

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

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

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

Note 17 - Defined Benefit OPEB Plan (continued)

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.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. 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 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$61,060 for 2023. Of this amount, \$5,582 is reported as an intergovernmental payable.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 17 - Defined Benefit OPEB Plan (continued)

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

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

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.22386246%	0.00000000%	
Prior Measurement Date	<u>0.22760841%</u>	<u>0.00021353%</u>	
 Change in Proportionate Share	 <u>-0.00374595%</u>	 <u>-0.00021353%</u>	
 Proportionate Share of the Net OPEB Liability	 \$1,411,496	 \$0	 \$1,411,496
 OPEB Expense	 (2,202,581)	 (6,246)	 (2,208,827)

The County no longer participates in STRS. Any remaining deferred inflows and deferred outflows were expensed in 2023. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Changes of assumptions	\$1,378,640
Net difference between projected and actual earnings on OPEB plan investments	2,803,280
County contributions subsequent to the measurement date	<u>61,060</u>
 Total Deferred Outflows of Resources	 <u>\$4,242,980</u>
 Deferred Inflows of Resources	
Differences between expected and actual experience	\$352,083
Changes of assumptions	113,440
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>75,247</u>
 Total Deferred Inflows of Resources	 <u>\$540,770</u>

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 17 - Defined Benefit OPEB Plan (continued)

\$61,060 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase of the net OPEB asset in 2024. 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:	<u>OPERS</u>
2024	\$388,498
2025	1,024,285
2026	874,152
2027	<u>1,354,215</u>
Total	<u><u>\$3,641,150</u></u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Note 17 - Defined Benefit OPEB Plan (continued)

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 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 15.6 percent for 2022.

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, 2022, these best estimates are summarized in the following table:

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 17 - Defined Benefit OPEB Plan (continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00%	

Discount Rate - A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the County’s proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the County’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
County's proportionate share of the net OPEB liability (assets)	\$4,804,088	\$1,411,496	(\$1,387,947)

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 17 - Defined Benefit OPEB Plan (continued)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. 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
County's proportionate share of the net OPEB liability	\$1,323,027	\$1,411,496	\$1,511,072

Note 18 - Compensated Absences

County employees earn vacation and sick leave at varying rates depending upon length of service and standard work week. All accumulated unused vacation leave is paid upon separation from the County for those employees with more than one year of service.

Sick leave is earned at varying rates depending on union or non-union status. Upon retirement, employees with ten or more years of service are paid one-fourth of accumulated sick leave up to a maximum of thirty days.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 19 - Long-Term Obligations

The County's long-term obligations activity for the year ended December 31, 2023, was as follows:

	Interest Rate	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
Governmental Activities						
Special Assessment Bonds with Government Commitment						
2005 Delmar/Glenn Sewer (Original Amount \$342,600)	3.0 - 5.0	\$48,400	\$0	\$24,200	\$24,200	\$24,200
2005 Trebor Drive Waterline (Original Amount \$11,000)	3.0 - 5.0	1,600	0	800	800	800
2005 Berryman Waterline (Original Amount \$133,000)	3.0 - 5.0	10,000	0	10,000	0	0
2005 Oakview Project (Original Amount \$805,000)	3.0 - 5.0	115,000	0	55,000	60,000	60,000
2006 Bond Premium		27,263	0	9,084	18,179	0
Total Special Assessment Bonds		<u>202,263</u>	<u>0</u>	<u>99,084</u>	<u>103,179</u>	<u>85,000</u>
OPWC Loans from Direct Borrowings						
Second						
(Original Amount \$188,611)	0.00	18,860	0	9,431	9,429	4,715
Eastown 1						
(Original Amount \$995,670)	0.00	174,243	0	49,783	124,460	24,892
Eastown 2						
(Original Amount \$135,232)	0.00	30,426	0	6,762	23,664	3,381
OPWC Loans from Direct Borrowings						
Eastown 4						
(Original Amount \$684,638)	0.00	273,855	0	34,232	239,623	17,116
Road Resurfacing						
(Original Amount \$345,518)	0.00	120,931	0	17,276	103,655	8,638
Shawnee Road						
(Original Amount \$500,000)	0.00	380,000	0	20,000	360,000	10,000
Hume Road						
(Original Amount \$65,000)	0.00	49,400	0	2,600	46,800	1,300
Zurmehly Road Bridge						
(Original Amount \$190,192)	0.00	137,890	0	9,509	128,381	4,755
Kill Road Reconstruction						
(Original Amount \$45,375)	0.00	35,165	0	2,269	32,896	1,134
Total OPWC Loans		<u>1,220,770</u>	<u>0</u>	<u>151,862</u>	<u>1,068,908</u>	<u>75,931</u>

(continued)

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 19 - Long-Term Obligations (continued)

	Interest Rate	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
Governmental Activities						
OWDA Loans from Direct Borrowings (continued)						
Lutz/Early (Original Amount \$718,512)	1.00%	\$117,123	\$0	\$38,652	\$78,471	\$39,040
4 th /Bowman (Original Amount \$437,856)	0.00	65,678	0	21,893	43,785	21,893
Perry Schools Sewer (Original Amount \$482,944)	3.42	187,191	0	28,615	158,576	29,602
Findlay Rd (Original Amount \$429,009)	3.42	146,451	0	27,338	119,113	28,281
Westminister (Original Amount \$3,373,636)	0.00	1,433,794	0	168,682	1,265,112	168,682
Indian Village Mobile Home Park (Original Amount \$375,581)	3.74	257,575	0	17,365	240,210	18,020
Total OWDA Loans		<u>2,207,812</u>	<u>0</u>	<u>302,545</u>	<u>1,905,267</u>	<u>305,518</u>
Net Pension Liability						
Ohio Public Employees Retirement System		19,099,030	45,297,014	0	64,396,044	0
State Teachers Retirement System		47,469	0	47,469	0	0
Total Net Pension Liability		<u>19,146,499</u>	<u>45,297,014</u>	<u>47,469</u>	<u>64,396,044</u>	<u>0</u>
Net OPEB Liability						
Ohio Public Employees Retirement System		0	1,359,857	0	1,359,857	0
Capital Loans Payable from Direct Borrowings						
		1,955,630	0	181,262	1,774,368	17,900
Leases Payable		6,306,582	182,879	325,169	6,164,292	359,767
Compensated Absences Payable		3,557,060	508,623	371,185	3,694,498	1,826,944
Total Governmental Activities		<u>\$34,596,616</u>	<u>\$47,348,373</u>	<u>\$1,478,576</u>	<u>\$80,466,413</u>	<u>\$2,671,060</u>

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 19 - Long-Term Obligations (continued)

	Interest Rate	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
<u>Business-Type Activity</u>						
OWDA Loans from Direct Borrowings						
American II						
(Original Amount \$9,311,017)	1.00%	\$2,990,805	\$0	\$486,120	\$2,504,685	\$490,993
Bath SSO						
(Original Amount \$636,518)	1.00	237,359	0	32,902	204,457	33,232
Ottawa River Sewer Inceptor						
(Original Amount \$3,318,241)	3.65	2,269,183	0	153,783	2,115,400	159,448
Shawnee II WWTP, Pump Station						
(Original Amount \$12,725,369)	3.45-3.95	8,960,708	0	581,079	8,379,629	601,849
Total OWDA Loans		14,458,055	0	1,253,884	13,204,171	1,285,522
Net Pension Liability						
Ohio Public Employees Retirement System						
		967,042	1,478,378	0	2,445,420	0
Net OPEB Liability						
Ohio Public Employees Retirement System						
		0	51,639	0	51,639	0
Financed Purchases Payable		154,022	0	75,932	78,090	78,090
Compensated Absences Payable		232,588	38,172	57,438	213,322	121,217
Total Business-Type Activities		<u>\$15,811,707</u>	<u>\$1,568,189</u>	<u>\$1,387,254</u>	<u>\$15,992,642</u>	<u>\$1,484,829</u>

Special Assessment Bonds

Special assessment bonds will be paid from the proceeds of the special assessments levied against those property owners who primarily benefited from the project. In the event that property owners fail to make their special assessment payments, the County is responsible for providing the resources to meet annual principal and interest payments. Special assessment debt is supported by the full faith and credit of Allen County.

OPWC Loans

The OPWC loans from direct borrowings consist of monies owed to the Ohio Public Works Commission for various street, bridge, sewer, and water projects. The loans are interest free. OPWC loans will be repaid from the Motor Vehicle and Gasoline Tax special revenue fund.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 19 - Long-Term Obligations (continued)

In the event of a default, (1) OPWC may apply late fees of 8 percent per year, (2) loans more than sixty days late will be turned over to the Attorney General's office for collection and, as provided by law, OPWC may require that such payment be taken from the County's share of the County undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

OWDA Loans

The OWDA loans from direct borrowings consist of monies owed to the Ohio Water Development Authority for various projects. OWDA loans will be repaid from the Water Projects and Sewer Projects capital projects funds and the Sewer enterprise fund.

The OWDA loans contain provisions that in an event of default, (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within thirty days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to OWDA, and (3) for each additional thirty days during which the charges remain unpaid, the County shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

For OPWC and OWDA loans payable from governmental funds, the principal remaining to be paid on the OPWC loans is \$1,068,908, principal and interest remaining to be paid on the OWDA loans is \$1,905,267 and \$80,621, respectively. The OPWC loans are payable through 2042 and the OWDA loans are payable through 2035.

OWDA loans payable from the Sewer enterprise fund are payable solely from the gross revenues of the fund. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues. For OWDA loans, principal and interest remaining to be paid on the loans is \$13,204,171 and \$2,445,540, respectively. Principal and interest paid in the Sewer enterprise fund for the current year were \$1,365,772 and \$425,002, respectively. Total net revenues for the Sewer enterprise fund were \$3,556,719. The OWDA loans are payable through 2035.

Capital Loans Payable

In 2021, the County obtained a bank loan, in the amount of \$305,090, for the purchase of a Vac Truck. The loan has an interest rate of 2.75 percent and will mature in 2023. The loan will be retired from the Motor Vehicle and Gas Tax special revenue fund.

In 2018, the County obtained a loan from the United States Department of Agriculture, in the amount of \$833,000, for sewer improvements to Springbrook Estates. The loan will be retired from the net revenues of the Sewer enterprise fund.

In 2022, the County obtained a loan from the United States Department of Agriculture, in the amount of \$1,200,000, for Gomer sewer improvements. The loan will be retired from the net revenues of the Sewer enterprise fund.

In the event of a default, the County may be subject to a mandatory injunction raising utility rates in a reasonable amount, except as otherwise provided by law.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 19 - Long-Term Obligations (continued)

Financed Purchases

In 2020, the County has entered into financed purchase agreements for equipment with an interest rate of 2.8 percent, in the amount of \$379,948 to be paid from the Sewer enterprise fund.

Leases Payable

The County has outstanding agreements to lease a building, office space, and vehicles. The future lease payments were discounted based on the County's incremental borrowing rate. This discount is being amortized using the interest rate method over the life of the lease. Leases will be paid from the Job and Family Services and the Felony Care and Subsidy special revenue funds, and the Marimor Permanent Improvement capital projects fund.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$359,767	\$61,446
2025	336,036	53,011
2026	300,458	47,460
2027	305,417	42,500
2028	292,360	37,770
2029-2033	1,367,218	152,782
2034-2038	1,421,786	98,214
2039-2043	1,478,534	41,466
2044	302,716	1,284
	<u>\$6,164,292</u>	<u>\$535,933</u>

Net Pension Liability

There is no repayment schedule for the net pension liability; however, employer pension contributions are paid from the General Fund, Motor Vehicle and Gasoline Tax, Job and Family Services, Developmental Disabilities, Auditor/Recorder/Clerk Fees, 911 Systems, Dog and Kennel, Drug Law Enforcement, Child Support Enforcement Agency, Real Estate Assessment, DRETAC, Children's Services, Law Library, Felony Care and Subsidy, Adult Probation Grant, Emergency Management Agency, and Ditch Maintenance special revenue funds, and the Sewer enterprise fund.

Compensated Absences Payable

Compensated absences will be paid from the fund from which the employees' salaries are paid including the General Fund, Motor Vehicle and Gasoline Tax, Job and Family Services, Developmental Disabilities, Auditor/Recorder/Clerk Fees, 911 Systems, Dog and Kennel, Child Support Enforcement Agency, Real Estate Assessment, Children's Services, Felony Care and Subsidy, Adult Probation Grant, Emergency Management Agency, and Ditch Maintenance special revenue funds, and the Sewer enterprise fund.

The County's legal debt margin was \$52,039,539 and an unvoted debt margin of \$16,769,564.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 19 - Long-Term Obligations (continued)

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

Year	Special Assessment Bonds		OPWC Loans From Direct Borrowings		OWDA Loans From Direct Borrowings		Capital Loans From Direct Borrowings	
	Principal	Interest	Principal	Principal	Interest	Principal	Interest	
	2024	\$85,000	\$3,612	\$75,931	\$305,518	\$18,511	\$17,900	\$18,453
2025	0	0	147,146	308,583	15,442	36,200	36,333	
2026	0	0	142,431	250,033	12,375	37,000	35,557	
2027	0	0	92,647	252,903	9,506	37,800	34,763	
2028	0	0	81,132	223,482	6,810	38,700	33,950	
2029-2033	0	0	288,139	538,645	17,243	206,100	156,905	
2034-2039	0	0	162,382	26,103	734	229,300	133,646	
2039-2043	0	0	79,100	0	0	255,400	107,610	
2044-2048	0	0	0	0	0	284,500	78,446	
2049-2053	0	0	0	0	0	293,468	45,893	
2054-2058	0	0	0	0	0	192,700	22,108	
2059-2062	0	0	0	0	0	145,300	5,129	
	<u>\$85,000</u>	<u>\$3,612</u>	<u>\$1,068,908</u>	<u>\$1,905,267</u>	<u>\$80,621</u>	<u>\$1,774,368</u>	<u>\$708,793</u>	

The County's future annual debt service requirements payable from the business-type activity are as follows:

Year	OWDA Loans From Direct Borrowings		Financed Purchase From Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$1,285,522	\$393,364	\$78,090	\$2,120
2025	1,318,165	360,721	0	0
2026	1,351,849	327,037	0	0
2027	1,386,609	292,277	0	0
2028	1,422,484	256,402	0	0
2029-2033	4,916,304	763,272	0	0
2034-2035	1,523,238	52,467	0	0
	<u>\$13,204,171</u>	<u>\$2,445,540</u>	<u>\$78,090</u>	<u>\$2,120</u>

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 19 - Long-Term Obligations (continued)

Conduit Debt

To further economic development in the County, the County has issued Healthcare Improvement Revenue bonds that provide capital financing to private-sector entities for the acquisition and construction of hospital facilities. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the County for any of these bonds. At December 31, 2023 the bonds have an aggregate outstanding principal amount payable of \$2,204,995,000.

Note 20 - Internal Balances and Transfers

The County uses an internal proportionate share to allocate its net pension/OPEB liability (asset) and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the government-wide statement of net position thus allowing the total column to present the change in proportionate share for the County as a whole.

Eliminations made in the total column of the government-wide statement of net position include deferred outflows of resources and deferred inflows of resources and deferred inflows of resources, in the amount of \$6,407 for pension.

During 2023, the General Fund made transfers to the Job and Family Services special revenue fund, to other governmental funds, and to the Sewer enterprise fund in the amount of \$350,648 \$5,062,666, and \$1,500,000, respectively, to subsidize operations in those funds. The Motor Vehicle and Gasoline Tax special revenue fund made transfers to other governmental funds, in the amount of \$144,966, for road construction activities. Other governmental funds made transfers to other governmental funds, in the amount of \$1,618,159; \$785,137 for construction costs and \$833,022 to make debt payments when due. The Sewer enterprise fund made transfers to the other governmental funds, in the amount of \$295,145 to make debt payments when due.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 21 - Fund Balance

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

Fund Balance	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Develompental Disabilities
Nonspendable for:				
Interfund Loans	\$982,415	\$0	\$0	\$0
Prepaid Items	318,465	20,108	37,719	31,146
Materials and Supplies				
Inventory	58,535	563,055	14,210	35,245
Unclaimed Monies	421,857	0	0	0
Total Nonspendable	<u>1,781,272</u>	<u>583,163</u>	<u>51,929</u>	<u>66,391</u>
Restricted for:				
Developmental Disabilities				
Operations	0	0	0	13,175,359
Job and Family Services				
Operations	0	0	2,176,645	0
Road and Bridge Repair/ Improvement	0	3,605,309	0	0
Total Restricted	<u>0</u>	<u>3,605,309</u>	<u>2,176,645</u>	<u>13,175,359</u>
Committed to:				
Future Severance				
Payments	122,544	0	0	0
Assigned for:				
Airport	1,523	0	0	0
Clerk of Courts	158,524	0	0	0
Construction	27,414	0	0	0
Drug Court	23,143	0	0	0
Economic Development	633,728	0	0	0
Probate Court	1,038	0	0	0
Projected Budget Shortage	4,197,689	0	0	0
Recorder Equipment	83,010	0	0	0
Title Administration	1,680,803	0	0	0
Unpaid Obligations	59,673	0	0	0
Total Assigned	<u>6,866,545</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	22,747,674	0	0	0
Total Fund Balance	<u>\$31,518,035</u>	<u>\$4,188,472</u>	<u>\$2,228,574</u>	<u>\$13,241,750</u>

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 21 - Fund Balance (continued)

Fund Balance	American Rescue Plan	Other Governmental Funds
Nonspendable for:		
Prepaid Items	\$0	\$54,590
Materials and Supplies		
Inventory	0	3,532
Total Nonspendable	0	58,122
Restricted for:		
Board of Elections	0	20,712
Child Support Enforcement	0	480,248
Childrens Services	0	5,320,159
Court Operations	0	3,120,628
Crime Victcim Assistance	0	1,167
Debt Retirement	0	3,169,082
Delinquent Tax Collection	0	157,662
Ditch Maintenance	0	1,795,628
Dog and Kennel Operations	0	454,839
Economic Development and Rehabilitation	0	1,046,379
Economic Recovery	928,743	6,932
Emergency Management Age	0	88,667
Family Counseling	0	6,166
Foreign Trade Zone	0	3,258
Healty Aging	0	338,936
Law Library	0	539,742
Opioid Settlement	0	202,724
Permanent Improvements	0	9,864,373
Real Estate Assessments	0	2,575,853
Sheriff Operations	0	965,007
Tax Abatement	0	12,078
Total Restricted	928,743	30,170,240
Committed for:		
Permanent Improvements	0	2,010,283
Assigned for:		
Permanent Improvements	0	4,813
Unassigned (Deficit)	0	(1,349,028)
Total Fund Balance	\$928,743	\$30,894,430

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 21 - Fund Balance (continued)

The County has established a General Fund budget stabilization arrangement by resolution pursuant to Ohio Revised Code Section 5705.13 to stabilize against cyclical changes in revenues. The stabilization arrangement does not meet the criteria to be classified as restricted or committed. The County did not identify any requirements for additions to the stabilization amount or conditions under which amounts can be spent other than upon approval by the County Commissioners. The balance in the reserve at December 31, 2023, was \$4,967,222.

Note 22 - Joint Ventures

A. Lima-Allen County Downtown Construction

The County and the City of Lima entered into a joint funding agreement for the construction and funding of certain facilities, including the expansion of the Veteran's Memorial Civic and Convention Center, a parking garage, and a pedestrian overhead walkway (skywalk) from the Civic Center to the parking garage. The Civic Center expansion and the skywalk were constructed by and are owned by the County. The parking garage was constructed by and is owned by the City.

The operation and maintenance costs associated with the skywalk and the parking garage are the joint responsibility of the County and the City. The County and the City share equally the net revenue/(loss) derived from the garage. The joint venture has not accumulated significant financial resources nor is the joint venture experiencing fiscal stress that may cause an additional financial benefit to or burden on the County in the future. Financial information may be obtained from the Allen County Commissioners, Allen County, Ohio.

The City of Lima has agreed to enter into a long-term lease agreement with the County offering the County a one-half ownership interest in the parking garage, which will be operated and maintained by the Lima-Allen County Joint Parking Commission, in accordance with the rules and regulations established for the Joint Parking Commission (see Note 23). As of December 31, 2023, this lease has not been executed.

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

The Mental Health and Recovery Services Board of Allen, Auglaize, and Hardin Counties provides leadership in planning for and supporting community-based alcohol, drug addiction, and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming while respecting, protecting, and advocating for the rights of persons as consumers of alcohol, drug addiction, and mental health services.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 22 - Joint Ventures (continued)

The Mental Health and Recovery Services Board of Allen, Auglaize, and Hardin Counties consists of sixteen members. Four members are appointed by the Director of the Ohio Department of Mental Health and four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services. The remaining members are appointed by the County Commissioners of Allen, Auglaize, and Hardin Counties in the same proportion of each county's population to the total combined population. The degree of control exercised by any participating County is limited to its representation on the Board. The Mental Health and Recovery Services Board of Allen, Auglaize, and Hardin Counties is a joint venture because its existence is dependent on the continued participation of the County.

Allen County serves as fiscal agent. The Board receives tax revenue from the three counties and receives federal and state funding through grants which are applied for and received by the Board. The Board is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on the County in the future. Financial information may be obtained from the Allen County Commissioners, Allen County, Ohio.

Note 23 - Jointly Governed Organizations

A. Lima-Allen County Regional Planning Commission

The Lima-Allen County Regional Planning Commission is a jointly governed organization established under Section 713.21 of the Ohio Revised Code. The Commission consists of six delegates and six alternates appointed by the Allen County Commissioners, one delegate and one alternate for each five thousand persons determined by the last federal decennial census from each municipal corporation and each of the townships participating in the Commission; provided that no cooperating municipality or township has less than one delegate and one alternate to the Commission. Each participating municipality and township contributes to the operation of the Commission based on a per capita charge.

Duties of the Commission include making studies, maps, plans, and other reports of the County and adjoining areas, recommendations for systems of transportation, highways, park and recreational facilities, water supply, sewerage disposal, garbage disposal, civic centers, and other public improvements and land uses which affect the development of the region.

The Commission has the authority to employ an Executive Director, engineers, accountants, attorneys, planners, and others as may be necessary and set their compensation.

In 2023, the County did not pay any membership fees. Financial information may be obtained from the Lima-Allen County Regional Planning Commission, 130 West North Street, Lima, Ohio 45801.

B. North Central Ohio Solid Waste District

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

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 23 - Jointly Governed Organizations (continued)

Allen County, the largest of the six counties, initially contributed 33 percent of the total funds contributed. In 1994, the District became self-supporting and does not anticipate having to rely on future support coming from funds given to the District by the six counties. The County does not contribute to the Solid Waste District nor does it anticipate doing so in the future. Allen County serves as fiscal agent. Financial information may be obtained from the Solid Waste District, 815 Shawnee Road, Suite D, Lima, Ohio 45805.

C. Western Ohio Regional Treatment and Habilitation (WORTH) Center

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

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

D. Lima-Allen County Joint Parking Commission

The County and the City of Lima have established a joint parking commission (JPC) which is responsible for developing and implementing a joint city-county parking system for the Central Business District in Lima and has management control over the downtown parking garage and various downtown surface lots. The JPC establishes policies for the operation of the parking system under its control, including rates to be charged.

The JPC is comprised of two members, one appointed by the Mayor of the City of Lima and one appointed by the President of the Board of County Commissioners.

Note 24 - Insurance Pools

A. County Risk Sharing Authority, Inc.

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

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

B. County Employee Benefits Consortium of Ohio, Inc.

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

The business and affairs of the consortium are managed by a board of not less than nine or more than fifteen directors that exercise all powers of the consortium. Two-thirds of the directors are county commissioners of the member counties and one-third are employees of the member counties. Each member of the consortium is entitled to one vote. At all times, one director is required to be a member of the board of directors of the County Commissioners Association of Ohio and another is required to be a board member of the County Risk Sharing Authority, Inc.

Note 25 - Related Organizations

A. Port Authority of Allen County

The Port Authority of Allen County was created pursuant to Sections 4582.202 through 4582.58 of the Ohio Revised Code to promote manufacturing, commerce, distribution, and research and development interests of Allen County, including rendering financial and other assistance to such enterprises situated in Allen County and to induce the location in Allen County of other manufacturing, commerce, distribution, and research and development enterprises; to purchase, subdivide, sell, and lease real property in Allen County and erect or repair any building or improvement for the use of any manufacturing, commerce, distribution, or research and development enterprise in Allen County. The Port Authority Board of Directors consists of seven members who are appointed by the Allen County Commissioners. The Port Authority serves as custodian of its own funds and maintains all records and accounts independent of Allen County. Financial information can be obtained from the Port Authority of Allen County, 144 South Main Street, Suite 200, Lima, Ohio 45801.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 25 - Related Organizations (continued)

B. Allen County Regional Airport Authority

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

Although the County has no obligation to provide financial resources to the airport, the County Commissioners have in prior years allocated certain funds to the Airport Authority. In 2023, this allocation was \$61,784.

C. Allen County Transportation Improvement District

The Allen County Transportation Improvement District (TID) is a distinct political subdivision of the State of Ohio established to finance and construct roads and relocate water and sewer lines, if necessary, in Allen County. The TID was created under Section 5540.02 of the Ohio Revised Code. The TID is controlled by a seven-member Board of Trustees; five voting members are appointed by the County Commissioners. The County Engineer is a voting member. Two non-voting members include members of the General Assembly in whose legislative district the TID is located. Financial information can be obtained from the Allen County Engineer, 1501 N. Sugar Street, Lima, Ohio 45801.

D. Allen County Veterans Memorial Civic and Convention Center

The Allen County Veterans Memorial Civic and Convention Center (VMCCC) was created by resolution of the County Commissioners under the authority of Chapter 345 of the Ohio Revised Code. The VMCCC is governed by an eleven member board of trustees appointed by the County Commissioners. The purpose of the VMCCC is to commemorate the services of all members and veterans of the armed forces of the United States and permanently recognize those service members from Allen County who made the ultimate sacrifice. The VMCCC also serves as Allen County's convention facility and center for performing arts, community, civic, and patriotic gatherings. Financial information can be obtained from the Allen County Civic and Convention Center, 7 Town Square, Lima, Ohio 45801.

Note 26 - LODDI

A. Summary of Significant Accounting Policies

Reporting Entity

LODDI is presented following the provisions of NCGA Statement No. 1 "Governmental Accounting and Financial Reporting Principles", as modified by subsequent NCGA and GASB pronouncements.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 26 - LODDI (continued)

Basis of Presentation

LODDI is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities are included on the statement of net position. LODDI uses the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized at the time they are incurred.

B. Deposits and Investments

At December 31, 2023, the carrying amount of deposits was \$123,941. These amounts are classified as “Cash and Cash Equivalents in Segregated Accounts” on the statement of net position. Investments are classified as “Investments in Segregated Accounts” on the statement of net position and consisted of exchange traded products, in the amount of \$67,007, and mutual funds, in the amount of \$10,979. There are no significant statutory restrictions regarding the deposit and investment of funds by the not-for-profit corporation.

C. Capital Assets

LODDI had capital assets of land and buildings, in the amount of \$190,812 and \$2,232,934, respectively, as of December 31, 2023. Accumulated depreciation was \$732,789, with a net capital asset amount of \$1,690,957. Depreciation is computed using the straight-line method over a useful life ranging from twenty to forty years.

D. Long-Term Obligations

	Interest Rate	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
Mortgage Notes Payable	5.375-5.625%	\$112,015	\$0	\$7,901	\$104,114	\$8,632

Note 27 - Allen County Land Reutilization Corporation

A. Summary of Significant Accounting Policies

Reporting Entity

The Allen County Land Reutilization Corporation (Land Bank) is presented following the provisions of NCGA Statement No. 1 “Governmental Accounting and Financial Reporting Principles”, as modified by subsequent NCGA and GASB pronouncements.

Basis of Presentation

The Land Bank is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities are included on the statement of net position. The Land Bank uses the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized at the time they are incurred.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 27 - Allen County Land Reutilization Corporation (continued)

B. Deposits and Investments

At December 31, 2023, the carrying amount of deposits was \$538,759. These amounts are classified as “Cash and Cash Equivalents in Segregated Accounts” on the statement of net position. There are no significant statutory restrictions regarding the deposit and investment of funds by the not-for-profit corporation.

C. Property Held for Resale

Property held for resale is recorded at cost, which totaled \$33,771 as of December 31, 2023. The property held is mostly vacant and abandoned properties in primarily distressed neighborhoods. All significant costs incurred to acquire and improve or rehabilitate the property are recorded as “Property Held for Resale” on the statement of net position. Reimbursements for these costs are reported as part of the property sale revenue when sold.

Lots are often held in depressed areas and obtaining appraisals is not reasonably possible. Consequently, lots are carried at cost and no current charge is posted as an expense, which is a departure from GAAP. The impact on earnings and equity would equal a difference between lot costs and what they could be sold for modified for an estimated impact of probable donation. This difference could not be reasonably determined.

D. Capital Assets

The Land Bank had capital assets of equipment, in the amount of \$13,907 as of December 31, 2023. Accumulated depreciation was \$1,549, with a net capital asset amount of \$12,358. Depreciation is computing using straight line method over a useful life of five years.

E. Long-Term Obligations

	Interest Rate	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
Notes Payable	5.0%	\$150,000	\$0	\$150,000	\$0	\$0

Note 28 - Contingent Liabilities

A. Litigation

The County is a party to several legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The County management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the County.

Allen County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 28 - Contingent Liabilities (continued)

B. Federal and State Grants

For the period January 1, 2023, to December 31, 2023, the County 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 County believes such disallowances, if any, would be immaterial.

Note 29 - Covid-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The County will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Allen County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Ten Years

	2023	2022	2021	2020
County's Proportion of the Net Pension Liability	0.22627408%	0.23063376%	0.24443244%	0.23154936%
County's Proportionate Share of the Net Pension Liability	\$66,841,464	\$20,066,072	\$36,195,127	\$45,767,306
County's Covered Payroll	\$34,422,179	\$32,794,249	\$33,297,133	\$31,883,423
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	194.18%	61.19%	108.70%	143.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%

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

See Accompanying Notes to the Required Supplementary Information

2019	2018	2017	2016	2015	2014
0.24113735%	0.24392450%	0.25652166%	0.26640800%	0.27637600%	0.27637600%
\$66,042,633	\$38,267,025	\$58,180,708	\$46,145,222	\$33,334,034	\$32,581,130
\$31,580,022	\$31,488,073	\$31,433,836	\$33,225,588	\$32,790,592	\$37,870,469
209.13%	121.53%	185.09%	138.88%	101.66%	86.03%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Allen County
 Required Supplementary Information
 Schedule of the County's Proportionate Share of the Net Pension Asset
 Ohio Public Employees Retirement System - Combined Plan
 Last Six Years (1)

	2023	2022	2021	2020
County's Proportion of the Net Pension Asset	0.26872220%	0.25653640%	0.24451308%	0.21727692%
County's Proportionate Share of the Net Pension Asset	\$633,353	\$1,010,768	\$705,823	\$453,077
County's Covered Payroll	\$1,256,814	\$1,177,286	\$1,083,921	\$978,736
County's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	50.39%	85.86%	65.12%	46.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.14%	169.88%	157.67%	145.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the County's participation in this plan was considered immaterial in previous years.

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

See Accompanying Notes to the Required Supplementary Information

<u>2019</u>	<u>2018</u>
0.20995425%	0.21070735%
\$234,778	\$286,843
\$893,036	\$873,108
26.29%	32.85%
126.64%	137.28%

Allen County
 Required Supplementary Information
 Schedule of the County's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Years

	2023	2022	2021	2020
County's Proportion of the Net Pension Liability	0.00000000%	0.00021353%	0.00145280%	0.00179762%
County's Proportionate Share of the Net Pension Liability	\$0	\$47,469	\$185,752	\$434,960
County's Covered Payroll	\$0	\$27,757	\$179,264	\$216,943
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	171.02%	103.62%	200.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	78.90%	87.80%	75.50%

Amounts presented for each fiscal year were determined as of June 30th.

Beginning in fiscal year 2022, the County School closed and all contributions into the STRS plan by employees ended.

See Accompanying Notes to the Required Supplementary Information

2019	2018	2017	2016	2015	2014
0.00286235%	0.00329680%	0.00380363%	0.00732584%	0.00678598%	0.00727737%
\$632,990	\$724,892	\$903,561	\$2,452,182	\$1,875,444	\$1,770,107
\$336,050	\$374,793	\$418,164	\$770,821	\$708,007	\$800,746
188.36%	193.41%	216.08%	318.13%	264.89%	221.06%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

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

	2023	2022	2021	2020
County's Proportion of the Net OPEB Liability (Asset)	0.22386246%	0.22760841%	0.24019128%	0.22683696%
County's Proportionate Share of the Net OPEB Liability (Asset)	\$1,411,496	(\$7,129,044)	(\$4,279,197)	\$31,332,077
County's Covered Payroll	\$36,636,843	\$34,842,835	\$35,233,604	\$33,604,384
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	3.85%	-20.46%	-12.15%	93.24%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See Accompanying Notes to the Required Supplementary Information

2019	2018	2017
0.23593620%	0.23867150%	0.25107700%
\$30,760,511	\$25,917,968	\$25,359,630
\$33,237,483	\$33,131,281	\$33,050,769
92.55%	78.23%	76.73%
46.33%	54.14%	54.04%

Allen County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset)
State Teachers Retirement System of Ohio
Last Seven Fiscal Years (1)

	2023	2022	2021	2020
County's Proportion of the Net OPEB Liability (Asset)	0.00000000%	0.00021353%	0.00145280%	0.00179762%
County's Proportionate Share of the Net OPEB Liability (Asset)	\$0	(\$5,529)	(\$30,631)	(\$31,593)
County's Covered Payroll	\$0	\$179,264	\$216,943	\$336,050
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	0.00%	-3.08%	-14.12%	-9.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	230.70%	174.70%	182.10%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each fiscal were determined as of June 30th.

Beginning in fiscal year 2022, the County School closed and all contributions into the STRS plan by employees ended.

See Accompanying Notes to the Required Supplementary Information

2019	2018	2017
0.00286235%	0.00329680%	0.00380363%
(\$47,408)	(\$52,977)	\$148,404
\$374,793	\$418,164	\$770,821
-12.65%	-12.67%	19.25%
174.70%	176.00%	47.10%

Allen County
Required Supplementary Information
Schedule of the County's Contributions
Ohio Public Employees Retirement System
Last Ten Years (1)

	2023	2022	2021	2020
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$5,243,551	\$4,963,242	\$4,742,126	\$4,819,305
Contributions in Relation to the Contractually Required Contribution	<u>(5,243,551)</u>	<u>(4,963,242)</u>	<u>(4,742,126)</u>	<u>(4,819,305)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$36,395,217	\$34,422,179	\$32,794,249	\$33,297,133
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Asset - Combined Plan				
Contractually Required Contribution	\$154,694	\$175,954	\$164,820	\$151,749
Contributions in Relation to the Contractually Required Contribution	<u>(154,694)</u>	<u>(175,954)</u>	<u>(164,820)</u>	<u>(151,749)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$1,289,117	\$1,256,814	\$1,177,286	\$1,083,921
Pension Contributions as a Percentage of Covered Payroll	<u>12.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability - OPEB Plan (1)				
Contractually Required Contribution	\$61,060	\$38,314	\$34,852	\$34,102
Contributions in Relation to the Contractually Required Contribution	<u>(61,060)</u>	<u>(38,314)</u>	<u>(34,852)</u>	<u>(34,102)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll (2)	\$38,763,172	\$36,636,843	\$34,842,835	\$35,233,604
OPEB Contributions as a Percentage of Covered Payroll	<u>0.16%</u>	<u>0.10%</u>	<u>0.10%</u>	<u>0.10%</u>

(1) Beginning in 2016, OPERS used one trust as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(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.

See Accompanying Notes to the Required Supplementary Information

2019	2018	2017	2016	2015	2014
\$4,614,086	\$4,560,770	\$4,226,933	\$3,907,021	\$4,122,098	\$4,073,325
<u>(4,614,086)</u>	<u>(4,560,770)</u>	<u>(4,226,933)</u>	<u>(3,907,021)</u>	<u>(4,122,098)</u>	<u>(4,073,325)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$31,883,423	\$31,580,022	\$31,488,073	\$31,433,836	\$33,225,588	\$32,790,592
<u>14.00%</u>	<u>14.00%</u>	<u>13.42%</u>	<u>12.43%</u>	<u>12.41%</u>	<u>12.42%</u>
\$137,023	\$125,025	\$113,504	\$101,842	\$106,915	\$92,896
<u>(137,023)</u>	<u>(125,025)</u>	<u>(113,504)</u>	<u>(101,842)</u>	<u>(106,915)</u>	<u>(92,896)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$978,736	\$893,036	\$873,108	\$848,683	\$890,958	\$774,133
<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>
\$29,689	\$30,577	\$355,423	\$676,381		
<u>(29,689)</u>	<u>(30,577)</u>	<u>(355,423)</u>	<u>(676,381)</u>		
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		
\$33,604,384	\$33,237,483	\$33,131,281	\$33,050,769		
<u>0.09%</u>	<u>0.09%</u>	<u>1.07%</u>	<u>2.05%</u>		

Allen County
 Required Supplementary Information
 Schedule of the County's Contributions
 State Teachers Retirement System of Ohio
 Last Ten Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	\$0	\$0	\$16,325	\$26,742
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>(16,325)</u>	<u>(26,742)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$0	\$0	\$116,607	\$191,014
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability (Asset)				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) The County's covered payroll is the same for the pension and OPEB.

Beginning in fiscal year 2022, the County School closed and all contributions into the STRS plan by employees ended.

See Accompanying Notes to the Required Supplementary Information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$40,116	\$48,994	\$22,603	\$73,323	\$77,672	\$73,514
<u>(40,116)</u>	<u>(48,994)</u>	<u>(22,603)</u>	<u>(73,323)</u>	<u>(77,672)</u>	<u>(73,514)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$286,543	\$349,957	\$161,450	\$523,736	\$554,800	\$565,490
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
\$0	\$0	\$0	\$0	\$0	\$2,405
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,405)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.43%

Allen County
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

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:

	<u>2022</u>	<u>2019 through 2021</u>	<u>2018 and 2017</u>	<u>2016 and prior</u>
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:

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 and prior	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.

Allen County
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

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 and prior 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

	<u>2022</u>	<u>2019 through 2021</u>	<u>2018</u>
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

For 2022, 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

Allen County
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

Changes in Assumptions - STRS Pension

Amounts reported beginning in 2017 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	<u>2022</u>	<u>2017</u>	<u>2016 and Prior</u>
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	See Below	See Below	See Below
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring after August 1, 2013, or later, COLA commences on fifth anniversary of retirement date.

Investment rate of return:

2021 through 2023	7.00 percent, net of investment expenses, including inflation
2017 through 2020	7.45 percent, net of investment expenses, including inflation
2016 and prior	7.75 percent, net of investment expenses, including inflation

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

Beginning in 2017, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Allen County
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

For 2016 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Changes in Assumptions - OPERS OPEB

Wage Inflation:	
2023 and 2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2023 and 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:	
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:	
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:	
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

Allen County
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

Changes in Benefit Term - STRS Pension

For 2023, Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

For 2022, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during Fiscal Year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

Changes in Benefit Terms - OPERS OPEB

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

Changes in Assumptions - STRS OPEB

For 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015, through June 30, 2021, and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

For 2021, the discount rate was decreased from 7.45 percent to 7.00 percent.

For 2018, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

Changes in Benefit Terms - STRS OPEB

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

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

For 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

Allen County
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

For 2019, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020, to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020, from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019, and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

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Allen County, Ohio
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Grantor/ Pass Through Grantor/ Program Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture			
<i>Passed through the Ohio Department of Job and Family Services:</i>			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2425-11-6102 / G-2223-11-6892	\$316,691
Total SNAP Cluster			<u>316,691</u>
<i>Direct Program</i>			
Water and Waste Disposal Systems for Rural Communities - Loans	10.760	N/A	356,155
Water and Waste Disposal Systems for Rural Communities - Grants	10.760	N/A	1,300,000
Total Water and Waste Disposal Systems for Rural Communities			<u>1,656,155</u>
Total U.S. Department of Agriculture			<u>1,972,846</u>
U.S. Department of Housing and Urban Development			
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			
Economic Development Program	14.228	B-F-20-1AB-1	53,884
Residential Public Infrastructure Program	14.228	B-W-20-1AB-1	3,500
Residential Public Infrastructure Program	14.228	B-W-20-1AB-2	3,500
Residential Public Infrastructure Program	14.228	B-W-20-1AB-3	150,000
Economic Development Program	14.228	B-F-22-1AB-1	15,839
Community Housing Improvement Program - CHIP	14.228	B-C-21-1AB-1	150,341
CDBG Revolving Loans	14.228	N/A	3,910
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			<u>380,974</u>
Home Investment Partnership Programs	14.239	B-C-21-1AB-2	195,390
Total U.S. Department of Housing and Urban Development			<u>576,364</u>
U.S. Department of Labor			
<i>Passed through the Greater Ohio Workforce Board, Inc.:</i>			
WIOA National Dislocated Workers Grants / WIA National Emergency Grants	17.277	2020/21-7102-1	1,134
Unemployment insurance	17.225	2020/21-7102-1	96,797
Employment Service Cluster:			
Employment Service/Wagner-Peyser Funded Activities	17.207	2020/21-7102-1	18,382
Total Employment Service Cluster			<u>18,382</u>
Trade Adjustment Assistance	17.245	2020/21-7102-1	2,939
WIOA Cluster			
WIOA Adult Program	17.258	2020/21-7102-1	711,154
WIOA Youth Activities	17.259	2020/21-7102-1	649,608
WIOA Dislocated Worker Formula Grants	17.278	2020/21-7102-1	293,085
Total WIOA Cluster			<u>1,653,847</u>
Total U.S. Department of Labor			<u>1,773,099</u>
U.S. Department of Transportation			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	20.205	PID #107762	300,000
Highway Planning and Construction	20.205	PID #117252	51,480
Highway Planning and Construction	20.205	PID #117340	507,856
Total Highway Planning and Construction			<u>859,336</u>
<i>Passed through the Ohio Department of Public Safety:</i>			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	IDEP/STEP-2023-Allen County Sheriff's Of-00026	23,995
State and Community Highway Safety	20.600	IDEP/STEP-2024-Allen County Sheriff's Of-00012	6,434
Total Highway Safety Cluster			<u>30,429</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2023-Allen County Sheriff's Of-00026	5,964
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2024-Allen County Sheriff's Of-00012	6,797
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated			<u>12,761</u>
Total U.S. Department of Transportation			<u>902,526</u>
U.S. Department of Education			
<i>Passed through the Ohio Department of Developmental Disabilities:</i>			
COVID-19 Special Education - Grants for Infants and Families	84.181X	H181A220024	67,651
Special Education - Grants for Infants and Families	84.181	H181X210024 /H181A210024	226,183
Total U.S. Department of Education			<u>293,834</u>

(continued)

Allen County, Ohio
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended December 31, 2023

Federal Grantor/ Pass Through Grantor/ Program Title	Federal AL Number	Pass Through Entity Number	Total Federal Expenditures
U.S. Department of Health and Human Services			
<i>Passed through the Ohio Department of Developmental Disabilities:</i>			
Elder Abuse Prevention Interventions Program	93.747	G-2425-11-6102 / G-2223-11-6892	\$31,700
<i>Passed through the Ohio Department of Developmental Disabilities:</i>			
Social Services Block Grant	93.667	2301OHSOSR	\$68,948
<i>Passed through the Ohio Department of Job and Family Services:</i>			
Social Services Block Grant	93.667	G-2425-11-6102 / G-2223-11-6892	\$856,393
Total Social Services Block Grant			<u>925,341</u>
<i>Passed through the Ohio Department of Job and Family Services:</i>			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2223-11-6894 / G-2425-11-6104	106,990
MaryLee Allen Promoting Safe and Stable Families Program	93.556	5AU-20-C0002	41,094
Total MaryLee Allen Promoting Safe and Stable Families Program			<u>148,084</u>
Child Support Enforcement	93.563	G-2425-11-6103 / G-2223-11-6893	1,743,995
Stephanie Tubbs Jones Child Welfare Service Program	93.645	G-2223-11-6894 / G-2425-11-6104	75,982
Stephanie Tubbs Jones Child Welfare Service Program	93.645	5AU-20-C0002	5,079
Total Stephanie Tubbs Jones Child Welfare Service Program			<u>81,061</u>
Foster Care Title IV-E	93.658	G-2223-11-6894 / G-2425-11-6104	1,413,620
Adoption Assistance	93.659	G-2223-11-6894 / G-2425-11-6104	943,283
Title IV-E Prevention Program	93.472	G-2223-11-6894 / G-2425-11-6104	13,174
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2223-11-6894 / G-2425-11-6104	25,004
Children's Health Insurance Program	93.767	G-2425-11-6102 / G-2223-11-6892	566,534
CCDF Cluster:			
Child Care and Development Block Grant	93.575	G-2425-11-6102 / G-2223-11-6892	191,182
Total CCDF Cluster			<u>191,182</u>
Temporary Assistance for Needy Families (TANF) State Programs			
Temporary Assistance for Needy Families	93.558	G-2425-11-6102 / G-2223-11-6892	5,384,880
Temporary Assistance for Needy Families	93.558	G-2223-11-6894 / G-2425-11-6104	4,227
Total Temporary Assistance for Needy Families			<u>5,389,107</u>
<i>Passed through the Ohio Department of Job and Family Services:</i>			
Medicaid Cluster			
Medical Assistance Program	93.778	G-2425-11-6102 / G-2223-11-6892	1,108,942
Medical Assistance Program	93.778	G-2223-11-6894 / G-2425-11-6104	6,832
Total Medicaid Cluster			<u>1,115,774</u>
Total U.S. Department of Health and Human Services			
			<u>12,587,859</u>
U.S. Department of Justice			
<i>Passed Through Ohio Department of Public Safety:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JG-A01-V6409	79,674
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2022-JG-A01-6409	7,218
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>86,892</u>
Residual Substance Abuse Treatment for State Prisoners	16.593	2019-RS-SAT-127A	45,349
Total U.S. Department of Justice			
			<u>132,241</u>
U.S. Department of Homeland Security			
<i>Passed through the Ohio Department of Public Safety:</i>			
Homeland Security Grant Program	97.067	EMW-2020-SS-00037-S01	124,937
Homeland Security Grant Program	97.067	EMW-2021-SS-00004	101,303
Homeland Security Grant Program	97.067	EMW-2020-SS-00058	1,309
Homeland Security Grant Program	97.067	EMW-2022-SS-00058	165,000
Total Homeland Security Program			<u>392,549</u>
Emergency Management Performance Grants	97.042	EMC-2022-EP-00006	87,127
Total U.S. Department of Homeland Security			
			<u>479,676</u>
U.S. Department of Treasury			
<i>Passed through Ohio Department of Job and Family Services</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	G-2425-11-6102 / G-2223-11-6892	197,284
<i>Direct Assistance:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	9,673,754
Total U.S. Department of Treasury			
			<u>9,871,038</u>
Total Federal Expenditures			
			<u>\$28,589,483</u>
N/A - pass through entity number not available			
<i>The accompanying notes are an integral part of this schedule</i>			

ALLEN COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Allen County (the County) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting, with exception for expenditures passed through the Greater Ohio Workforce Board, Inc., which are reported on the accrual basis of accounting in accordance with U.S. Department of Labor. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) WITHOUT CONTINUING COMPLIANCE REQUIREMENTS

The County has a revolving loan fund (RLF) program to provide low-interest loans to business to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The U.S. Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The Schedule reports loan made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans. These loans are collateralized by second position mortgages on the land and building on behalf of the County for HUD.

NOTE 4 – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current cash balance on the County's local program income account as of December 31, 2023 is \$617,776.

NOTE 5 – MATCHING REQUIREMENTS

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

ALLEN COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)

NOTE 6 – TRANSFER BETWEEN FEDERAL PROGRAMS

During 2023, the County made allowable transfers of \$580,957 from the Temporary Assistance for Needy Families (AL #93.558) program to the Social Services Block Grant (AL #93.667) program. The amount reported for the Temporary Assistance for Needy Families program on the Schedule excludes the amount transferred to the Social Services Block Grant program. The amount transferred to the Social Services Block Grant program is included in the federal program expenditures for these programs. The following table shows the gross amount drawn for the Temporary Assistance for Needy Families program during 2023 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$5,970,064
Social Services Block Grant	<u>(580,957)</u>
Total Temporary Assistance for Needy Families	<u>\$5,389,107</u>

OHIO AUDITOR OF STATE KEITH FABER



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

Allen County
301 North Main Street
Lima, Ohio 45801

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allen County, (the County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 16, 2024, wherein we noted the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the County. Our report includes a reference to other auditors who audited the financial statements of the component unit, LODDI, Inc., as described in our report on the County's financial statements. The financial statements of LODDI, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance or other matters associated with the component unit LODDI, Inc. or that are reported on separately by those auditors who audited the financial statements of the component unit LODDI, Inc.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

October 16, 2024

OHIO AUDITOR OF STATE KEITH FABER



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

Allen County
301 North Main Street
Lima, Ohio 45801

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Allen County, (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Allen County's major federal programs for the year ended December 31, 2023. Allen County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

Qualified Opinion on Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (AL #14.228) and Covid-19 Coronavirus State and Local Fiscal Recovery Funds (AL #21.027)

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, Allen County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii and Covid-19 Coronavirus State and Local Fiscal Recovery Funds major federal programs for the year ended December 31, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Allen County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended December 31, 2023.

Basis for Qualified and Unmodified Opinions

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

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

Matters Giving Rise to Qualified Opinion on Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii and Covid-19 Coronavirus State and Local Fiscal Recovery Funds

As described in findings 2023-001 and 2023-003 in the accompanying schedule of findings, the County did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2023-001	14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Reporting
2023-003	21.027	Covid 19 - Coronavirus State and Local Fiscal Recovery	Reporting

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings as item 2023-002. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2023-001 and 2023-003, to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2023-002 to be a significant deficiency.

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

Allen County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance Required by Uniform Guidance
Page 4

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and corrective action plan. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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



Keith Faber
Auditor of State
Columbus, Ohio

October 16, 2024

ALLEN COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	<p><i>Unmodified:</i> SNAP Cluster (AL #10.561) WIOA Cluster (AL #17.258/#17.259/#17.278) Highway Planning and Construction (AL #20.205) Temporary Assistance for Needy Families (AL #93.558)</p> <p><i>Qualified:</i> Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (AL #14.228) COVID-19 Coronavirus State and Local Fiscal Recovery Funds (AL #21.027)</p>
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes

**1. SUMMARY OF AUDITOR'S RESULTS
 (Continued)**

<i>(d)(1)(vii)</i>	Major Programs (list):	SNAP Cluster (AL #10.561) Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (AL #14.228) WIOA Cluster (AL #17.258/#17.259/#17.278) Highway Planning and Construction (AL #20.205) COVID-19 Coronavirus State and Local Fiscal Recovery Funds (AL #21.027) Temporary Assistance for Needy Families (AL #93.558)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 857,684 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

FINDING NUMBER 2023-001

Noncompliance/Material Weakness

Finding Number:	2023-001
Assistance Listing Number and Title:	AL #14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
Federal Award Identification Number / Year:	2023
Federal Agency:	U.S. Department of Housing and Urban Development
Compliance Requirement:	Reporting
Pass-Through Entity:	Ohio Department of Development
Repeat Finding from Prior Audit?	Yes
Prior Audit Finding Number	2022-001

2 CFR § 2400.101 gives regulatory effect to the Department of Housing and Urban Development for **2 C.F.R. § 200.328** which states, unless otherwise approved by OMB, the Federal awarding agency must solicit only the OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future, OMB-approved, governmentwide data elements available from the OMB-designated standards lead.

FINDING NUMBER 2023-001
(Continued)

This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting. The Federal awarding agency must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information.

2 CFR § 2400.101 gives regulatory effect to the Department of Housing and Urban Development for **2 CFR § 200.208** which states, in part, that Federal awarding agencies are responsible for ensuring that specific Federal award conditions are consistent with the program design reflected in § 200.202 and include clear performance expectations of recipients as required in § 200.301. The Federal awarding agency or pass-through entity may adjust specific Federal award conditions as needed, in accordance with this section, based on an analysis of specified factors. Additional Federal award conditions may be added provided the applicant or non-Federal entity has been notified, and any additional requirements must be promptly removed once the conditions that prompted them have been satisfied. Additional Federal award conditions may include items such as additional, more detailed financial reports.

The State of Ohio Community Development Block Grant (CDBG) Program Grant Agreements for the Village of Lafayette Water Line Project (B-W-20-1AB-1), Village of Harrod Water Line Project (B-W-20-1AB-2), the Gomer Wastewater Collection System Project (B-W-20-1AB-3), Community Development Program B-F-20-1AB-1, Community Development Block Grant B-F-22-1AB-1 and (Community Housing Impact and Preservation Program) B-C-21-1AB-1, state that the grantee shall submit the required reports in an adequate and timely fashion. Granter shall provide a format for these reports and shall instruct Grantee on the proper completion of said reports. All report forms and requirements listed herein shall be provided by Granter, but shall not be construed to limit Granter in making additional and/or further requests, nor in the change or addition of detail to the items listed. The Grantee shall submit to Granter a Status Report within 30 days of the request by Granter.

The County submitted Status Reports; however possibly due to the failure of an existing control(s), two out of eight (twenty-five percent) Status Reports were submitted between five to twelve months late. For one out of eight (twelve percent) Status Reports the reported expenditures were \$4,386 more than the supporting accounting records (see related finding number 2023-002).

Reporting errors could adversely affect future grant awards.

An additional control(s) and/or procedure(s) should be implemented to help ensure required reports are accurately prepared and submitted in a timely manner.

OFFICIALS' RESPONSE: See Corrective Action Plan on page 145.

FINDING NUMBER 2023-002

Noncompliance/Significant Deficiency/Finding for Recovery Repaid Under Audit

Finding Number:	2023-002
Assistance Listing Number and Title:	AL #14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
Federal Award Identification Number / Year:	2023
Federal Agency:	U.S. Department of Housing and Urban Development
Compliance Requirement:	Allowable Costs/Cost Principles
Pass-Through Entity:	Ohio Department of Development
Repeat Finding from Prior Audit?	No

2 CFR § 2400.101 gives regulatory effect to the Department of Housing and Urban Development for **2 CFR § 200.303(a)** which requires that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

2 CFR § 2400.101 gives regulatory effect to the Department of Housing and Urban Development for **2 CFR § 200.403** which states except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also § 200.306(b).
- (g) Be adequately documented. See also §§ 200.300 through 200.309 of this part.
- (h) Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to § 200.308(e)(3).

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper “Public Purpose” states, in part, the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

FINDING NUMBER 2023-002
(Continued)

The Lima-Allen County Regional Planning Commission, administrator of the Community Housing Impact and Preservation Program - CHIP (#B-C-21-1AB-1) for Allen County, incurred a charge of \$4,386 for Admin January 2023 charges on invoice #106558 dated February 7, 2023 from the Great Lakes Community Action Partnership. On July 6, 2023, check number 7330652 was issued by Allen County which included payment of \$4,386 on invoice number 106558. On August 3, 2023, check number 7332670 was issued by Allen County which included payment of \$4,386 on invoice number 106558 which was approved by Tara Bales, Executive Director of the Lima-Allen County Regional Planning Commission. As a result, possibly due to the failure of an existing control or procedure, invoice number 106558 was paid twice resulting an overpayment of \$4,386.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Tara Bales, Executive Director of the Lima-Allen County Regional Planning Commission in the amount of \$4,386 and in favor of the Community Development Grant Fund (2414).

On October 2, 2024, the Great Lakes Community Action Partnership refunded the overpayment with check number 20765 in the amount of \$4,386. This refund was recorded in the Community Development Grant Fund (2414).

An additional control(s) and/or procedure(s) should be established and implemented to prevent the duplicate payment of invoices.

OFFICIALS' RESPONSE: See Corrective Action Plan on page 145.

FINDING NUMBER 2023-003

Noncompliance/Material Weakness

Finding Number:	2023-003
Assistance Listing Number and Title:	AL #21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds
Federal Award Identification Number / Year:	2023
Federal Agency:	U.S. Department of Treasury
Compliance Requirement:	Reporting
Pass-Through Entity:	N/A
Repeat Finding from Prior Audit?	No

2 CFR § 1000.10 gives regulatory effect to Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth at 2 CFR part 200 for the Department of Treasury.

2 CFR 200.329(c)(1) states that non-Federal entities must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. Reports submitted quarterly must be due no later than 30 calendar days after the reporting period.

31 CFR 35.4(c) requires recipients, in part, during the period of performance, to provide the Secretary of the U.S. Department of Treasury periodic reports providing detailed accounting of the uses of funds, modifications to a State or Territory's tax revenue sources, and such other information as the Secretary may require for the administration of this section.

The U.S. Department of Treasury provided supplementary information on reporting requirements in its interim final rule for State and Local Fiscal Recovery Funds for 31 CFR Part 35 and provided further guidance in its Coronavirus State and Local Fiscal Recovery Funds Compliance and Reporting Guide.

**FINDING NUMBER 2023-003
(Continued)**

The County submitted the required SLFRF Project and Expenditure Reports; however possibly due to the failure of an existing control(s), the expenditures reported on three out of the four (seventy-five percent) did not agree to the accounting records with differences ranging from \$27,632 to \$139,044.

Reporting errors could adversely affect future grant awards.

An additional control(s) and/or additional procedure(s) should be implemented to help ensure accuracy of the reports.

OFFICIALS' RESPONSE: See Corrective Action Plan on page 145.

4. OTHER – FINDING FOR RECOVERY
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In addition, see finding 2023-002 related to a Finding for Recovery Repaid Under Audit. This issue does not impact our GAGAS report.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	<p>AL #14.228 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CDBG)</p> <p>2 C.F.R. § 200.328, 2 CFR § 200.208, and CDBG grant agreements - Proper procedure ensuring timely and accurate grant reporting by the Lima-Allen County Regional Planning Commission resulted in status reports not being submitted timely or that did not agree to the accounting records.</p>	Not Corrected	This issue spanned portions of two fiscal years before it was discovered and additional instruction and training could be given. It is expected with the former fiscal officer and the executive director both replaced, the issue will no longer arise in 2024 and following years.
2022-002	<p>AL #21.027 - Coronavirus State and Local Fiscal Recovery Funds</p> <p>2 CFR § 200.320 and Allen County Uniform Guidance Procurement Policy - Purchases were made which exceeded the County's micro-purchase amount of less than \$10,000 and price or rate quotations were not obtained from an adequate number of qualified sources.</p>	Corrective Action Taken and Finding is Fully Corrected	Allen County has created and complied with the Uniform Guidance Policy regulations and reporting

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2023

Finding Number: 2023-001
Planned Corrective Action: This is repeat Finding from 2022. Key personnel have since been replaced at the RPC and those in the new positions understand the importance of proper and timely reporting and accurate financial records. The Auditor's Office will meet with the new executive director, the current (new) finance director, and board members to emphasize the importance of deadlines and financial accountability when working with Grants. Additional Controls will be emphasized to assist with timely filing, as well as Invoice Entry to ensure duplicate payments are not made.

Anticipated Completion Date: 11/01/2024
Responsible Contact Person: Rachael Gilroy, Allen County Auditor
Rebecca Phillips, RPC Finance Director
New Executive Director of RPC, to be named soon

Finding Number: 2023-002
Planned Corrective Action: This matter was investigated by both the AOS, the Allen County Auditor's Office, and by board members of the RPC. GLCAP was met with and records from both RPC and GLCAP were scrutinized and matched. As a result, the duplicate payment made in the amount of \$4,386 was returned by GLCAP to RPC and was deposited on 10/03/2024 into the Allen County Community Development Fund.

Anticipated Completion Date: 10/03/2024 Completed
Responsible Contact Person: Rachael Gilroy, Allen County Auditor
Rebecca Phillips, RPC Finance Director
New Executive Director of the RPC

Finding Number: 2023-003
Planned Corrective Action: Reporting Errors for the Coronavirus State and Local Recovery Funds were discovered. Reporting errors were unintentional and were a result of not more closely following the Coronavirus State and Local Fiscal Recovery Funds Compliance and Reporting Guide. The employee who was responsible for entering the information into the portal is no longer with Allen County. New responsible staff will be trained appropriately according to the most currently released guidance and every effort will be made to ensure accuracy and complete reporting.

Anticipated Completion Date: 09/30/224
Responsible Contact Person: Rachael Gilroy, Allen County Auditor

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OHIO AUDITOR OF STATE KEITH FABER



ALLEN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/12/2024

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

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