

**ALLEN COUNTY
DECEMBER 31, 2024**

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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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, 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 the County, as of December 31, 2024, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Motor Vehicle and Gasoline Tax, Job and Family Services, 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 70 percent, 64 percent, and 30 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2024. 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 3 to the financial statements, during 2024, the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

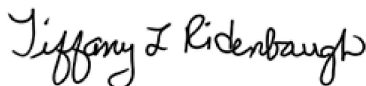
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements,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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure 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 10, 2025, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

October 10, 2025

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Allen County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
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, 2024. 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 almost 13 percent; 16 percent increase for governmental activities and nearly 2 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 2024. 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.

Allen County
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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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Government-Wide Financial Analysis

Table 1 provides a summary of the County's net position for 2024 and 2023.

Table 1
Net Position

	Governmental Activities		Business-Type Activity		Total	
	2024	2023	2024	2023	2024	2023
<u>Assets</u>						
Current and Other Assets	\$151,600,451	\$130,561,194	\$12,451,391	\$12,380,877	\$164,051,842	\$142,942,071
Net Pension Asset	820,849	610,181	42,095	23,172	862,944	633,353
Net OPEB Asset	1,936,530	0	99,311	0	2,035,841	0
Capital Assets, Net	86,052,196	86,778,350	48,468,150	43,894,718	134,520,346	130,673,068
Total Assets	<u>240,410,026</u>	<u>217,949,725</u>	<u>61,060,947</u>	<u>56,298,767</u>	<u>301,470,973</u>	<u>274,248,492</u>
<u>Deferred Outflows of Resources</u>						
Pension	17,831,567	26,677,023	1,249,981	1,019,456	18,900,752	27,690,072
OPEB	1,730,551	4,087,749	88,391	155,231	1,812,024	4,242,980
Total Deferred Outflows of Resources	<u>19,562,118</u>	<u>30,764,772</u>	<u>1,338,372</u>	<u>1,174,687</u>	<u>20,712,776</u>	<u>31,933,052</u>
<u>Liabilities</u>						
Current and Other Liabilities	12,990,363	14,140,818	1,155,276	418,439	14,145,639	14,559,257
Long-Term Liabilities						
Pension	56,679,544	64,396,044	2,906,645	2,445,420	59,586,189	66,841,464
OPEB	0	1,359,857	0	51,639	0	1,411,496
Other Amounts	19,999,221	14,710,512	17,295,830	13,495,583	37,295,051	28,206,095
Total Liabilities	<u>89,669,128</u>	<u>94,607,231</u>	<u>21,357,751</u>	<u>16,411,081</u>	<u>111,026,879</u>	<u>111,018,312</u>
<u>Deferred Inflows of Resources</u>						
Pension	402,928	804,557	113,877	324,183	336,009	1,122,333
OPEB	1,108,318	519,244	75,130	21,526	1,176,530	540,770
Leases	2,360,165	2,754,454	0	0	2,360,165	2,754,454
Other Amounts	14,861,179	13,240,481	0	0	14,861,179	13,240,481
Total Deferred Inflows of Resources	<u>18,732,590</u>	<u>17,318,736</u>	<u>189,007</u>	<u>345,709</u>	<u>18,733,883</u>	<u>17,658,038</u>
<u>Net Position</u>						
Net Investment in Capital Assets	75,385,102	75,445,974	30,979,712	30,410,005	106,364,814	105,855,979
Restricted	77,515,442	61,377,461	141,406	23,172	77,656,848	61,400,633
Unrestricted (Deficit)	(1,330,118)	(34,905)	9,731,443	10,283,487	8,401,325	10,248,582
Total Net Position	<u>\$151,570,426</u>	<u>\$136,788,530</u>	<u>\$40,852,561</u>	<u>\$40,716,664</u>	<u>\$192,422,987</u>	<u>\$177,505,194</u>

New Accounting Pronouncements

For 2024, the County implemented GASB Statement No. 101 *Compensated Absences*. The County also implemented GASB Statement No. 100 *Accounting Changes and Error Corrections*, which does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle.

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The implementation of GASB 101 resulted in recognizing an additional compensated absences liabilities of \$6,340,880 in governmental activities and \$547,147 in business-type activity at January 1, 2024. These amounts also impacted beginning net position for the cumulative effect of additional compensated absences expense.

Governmental and Business-Type Activity

The net pension/OPEB liability (asset) reported by the County at December 31, 2024, 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 asset to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

Pension/OPEB changes noted in the above table reflect an overall decrease in deferred outflows and in deferred inflows. These changes are affected by changes in benefits, contribution rates, return on investments, and actuarial assumptions. The increase in the net pension asset and the net OPEB asset and the decrease 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 \$20 million primarily in two capital projects funds for unspent grant dollars from the State of Ohio for capital projects. Increases in cash is also seen 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 Ditch Maintenance special revenue fund and Future Debt Service debt service fund experienced lower project costs than resources for the year). The decrease in current and other liabilities was primarily due to the decrease in accrued wages at year end due to the pay period end dates; unearned revenue (ARPA monies continued to be spent in 2024); and contracts payable (the HVAC Court of Appeals and Baughman Ditch watershed project were completed). The increase in restricted and unrestricted net position was impacted by items mentioned above.

For the business-type activity, the increase in current and other assets was insignificant. The increase in capital assets is primarily due to the ongoing construction for phase 2 of the wastewater treatment plant. The increase in current and other liabilities was due to an increase in contracts and retainage payable and the increase in other long-term liabilities is for the issuance of OWDA debt. All of these increases were related to the ongoing wastewater treatment plant as previously mentioned.

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Unaudited

Table 2 reflects the change in net position for 2024 and 2023.

Table 2
Change in Net Position

	Governmental		Business-Type		Total	
	2024	2023	2024	2023	2024	2023
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$14,154,792	\$15,922,477	\$8,303,129	\$8,120,014	\$22,457,921	\$24,042,491
Operating Grants, Contributions, and Interest	37,358,612	46,552,441	0	0	37,358,612	46,552,441
Capital Grants and Contributions	12,686,319	6,099,895	0	0	12,686,319	6,099,895
Total Program Revenues	<u>64,199,723</u>	<u>68,574,813</u>	<u>8,303,129</u>	<u>8,120,014</u>	<u>72,502,852</u>	<u>76,694,827</u>
General Revenues						
Property Taxes Levied for						
General Operations	3,675,980	3,631,452	0	0	3,675,980	3,631,452
Health-Developmental Disabilities	5,710,113	5,624,161	0	0	5,710,113	5,624,161
Human Services-Children Services	2,320,686	2,292,440	0	0	2,320,686	2,292,440
Debt Service	1,670,946	1,650,702	0	0	1,670,946	1,650,702
Marimor Permanent Improvement	496,522	489,057	0	0	496,522	489,057
Permissive Sales Taxes	21,546,571	20,760,806	0	0	21,546,571	20,760,806
Grants and Entitlements	3,250,341	3,278,850	0	0	3,250,341	3,278,850
Investment Earnings and Other Interest	6,071,122	5,442,713	26,519	26,968	6,097,641	5,469,681
Other	4,286,057	4,972,096	273,610	316,930	4,559,667	5,289,026
Total General Revenues	<u>49,028,338</u>	<u>48,142,277</u>	<u>300,129</u>	<u>343,898</u>	<u>49,328,467</u>	<u>48,486,175</u>
Total Revenues	<u>113,228,061</u>	<u>116,717,090</u>	<u>8,603,258</u>	<u>8,463,912</u>	<u>121,831,319</u>	<u>125,181,002</u>
Program Expenses						
General Government						
Legislative Executive	14,778,512	15,267,432	0	0	14,778,512	15,267,432
Judicial	12,763,733	14,024,635	0	0	12,763,733	14,024,635
Public Safety	13,213,258	13,760,601	0	0	13,213,258	13,760,601
Public Works	13,843,649	15,317,426	0	0	13,843,649	15,317,426
Health						
Developmental Disabilities	11,055,497	9,773,533	0	0	11,055,497	9,773,533
Other Health	1,058,628	608,886	0	0	1,058,628	608,886
Human Services						
Job and Family Services	11,988,268	12,211,022	0	0	11,988,268	12,211,022
Children Services	8,844,757	8,341,386	0	0	8,844,757	8,341,386
Other Human Services	3,689,925	3,512,910	0	0	3,689,925	3,512,910
Conservation and Recreation	790,560	664,685	0	0	790,560	664,685
Interest	105,896	96,766	0	0	105,896	96,766
Sewer	0	0	7,892,816	7,630,642	7,892,816	7,630,642
Total Expenses	<u>92,132,683</u>	<u>93,579,282</u>	<u>7,892,816</u>	<u>7,630,642</u>	<u>100,025,499</u>	<u>101,209,924</u>
Increase in Net Position Before Transfers	21,095,378	23,137,808	710,442	833,270	21,805,820	23,971,078
Transfers	27,398	(4,958,424)	(27,398)	4,958,424	0	0
Increase in Net Position Before Transfers	21,122,776	18,179,384	683,044	5,791,694	21,805,820	23,971,078
Net Position Beginning of Year as Previously Reported	136,788,530	118,609,146	40,716,664	34,924,970	177,505,194	153,534,116
Restatement - Change in Accounting Principles	(6,340,880)	0	(547,147)	0	(6,888,027)	0
Restated Net Position Beginning of Year	<u>130,447,650</u>	<u>118,609,146</u>	<u>40,169,517</u>	<u>34,924,970</u>	<u>170,617,167</u>	<u>153,534,116</u>
Net Position End of Year	<u>\$151,570,426</u>	<u>\$136,788,530</u>	<u>\$40,852,561</u>	<u>\$40,716,664</u>	<u>\$192,422,987</u>	<u>\$177,505,194</u>

Allen County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

New Accounting Pronouncements

The above table separately reflects the restatement for changes in accounting principles related to the implementation of GASB Statement No. 101 *Compensated Absences*. GASB Statement No. 100, *Accounting Changes and Error Corrections* does not require Management Discussion and Analysis information for years prior to the periods presented on the basic financial statements to be restated for changes in accounting principle. The 2023 information does not reflect activity related to the additional compensated absences expenses required under GASB Statement No. 101, *Compensated Absences* (See also explanation of new accounting pronouncements provided related to Net Position - Table 1 and explanation in Note 3). In the above table, beginning net position has been presented and provides separate identification of restatements for changes in accounting principles to better align with GASB 101 requirements for Management Discussion and Analysis presentation and allows the restated net position beginning of year to articulate to the statement of activities.

Governmental Activities and Business-Type Activity

For governmental activities, the most significant change in program revenues were the decrease in operating grants, contributions, and interest and the increase in capital grants, contributions and interest. Several factors contributed to the decrease in operating grants, contributions, and interest including recognizing earned ARPA funding revenue (less ARPA funding was spent in 2024). In addition, the County received less grant resources for Development Disabilities and motor vehicle license and gas taxes. Grant resources received from the State of Ohio for improvements to Lima Veterans Memorial Hall and the Child Support Enforcement Facility projects contributed to the increase in program revenues for capital grants, contributions, and interest. The decrease in charges for services was primarily due to a reduction in charges for ditch maintenance along with lower OneOhio Opioid settlement revenue. The most significant change in general revenues was due to an increase in sales tax (economy recovering from the pandemic) and interest revenues (based on the market fluctuations on the County's investments). The decrease in expenses is primarily the result of the decrease 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 offset by a decrease 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.

Allen County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
General Government:				
Legislative and Executive	\$14,778,512	\$15,267,432	\$8,258,681	\$8,494,044
Judicial	12,763,733	14,024,635	5,980,194	7,317,238
Public Safety	13,213,258	13,760,601	11,464,250	2,590,168
Public Works	13,843,649	15,317,426	284,679	(2,761,587)
Health				
Developmental Disabilities	11,055,497	9,773,533	7,278,700	5,800,026
Other Health	1,058,628	608,886	(10,117,545)	(1,200,731)
Human Services				
Job and Family Services	11,988,268	12,211,022	524,784	985,352
Children Services	8,844,757	8,341,386	2,579,790	2,228,330
Other Human Services	3,689,925	3,512,910	939,946	838,083
Conservation and Recreation	790,560	664,685	790,560	616,780
Economic Dev. & Assistance	0	0	(156,975)	0
Interest	105,896	96,766	105,896	96,766
Total Expenses	\$92,132,683	\$93,579,282	\$27,932,960	\$25,004,469

The County's general revenues (primarily property and sales taxes and unrestricted grants and entitlements) supported over 30 percent of the services provided by the County (27 percent in 2023). 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 35 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 almost 17 percent. Revenues exceeded expenditures. However, total revenues were less than prior year due to a decrease in intergovernmental revenue (less ARPA funding was recognized as being earned as previously mentioned). Public work expenditures decreased due to the supplementing of the Allen Water District operations that occurred in the prior year.

Fund balance increased 30 percent for the Motor Vehicle and Gasoline Tax Fund. Less motor vehicle license and gas taxes were received in 2024 as previously mentioned above. There was a decrease in expenditures due to less road improvement work in 2024.

Allen County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

Fund balance increased over 16 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 decrease in fund balance in the Developmental Disabilities Fund was less than 1 percent. However, it is important to note that this change was the result of a decrease in intergovernmental revenue, primarily Medicaid reimbursements and an increase in health costs by roughly the same amount. Expenditures increased for several reasons including a rise in the board's Medicaid waiver match payment and consulting services.

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 and expenses 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. In addition, the sewer received constructed assets from governmental funds that contributed to the net position increase.

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 were not significant. 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, 2024, was \$75,385,102 and \$30,979,712, respectively (net of accumulated depreciation and related debt). The primary additions for governmental activities included the completed HVAC improvement project at the Court of Appeals and a watershed project, several vehicles, dump trucks, heavy equipment, miscellaneous equipment, and various road and bridge improvements. Disposals included heavy equipment, several vehicles, and miscellaneous equipment.

For the business-type activity, additions included ongoing construction for the phase 2 wastewater treatment plant improvement, miscellaneous equipment, and several vehicles. Disposals included two vehicles.

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

Allen County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

Debt - At December 31, 2024, the County had \$1,074,050 in OPWC loans, and \$1,599,749 in OWDA loans payable from governmental activities. The business-type activity had \$16,560,371 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 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 for the end of 2024 in Allen County was 4.3 percent. The range remains fairly consistent, with 2023's unemployment rate at 3 percent, 3.6 percent in 2022, 3.4 percent in 2021 and 4.8 percent in 2020. 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.

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. Grocery store prices and other commodities are continuing to increase in price as recent concerns over the impact of tariffs in the nation rise.

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. However, capital projects are back into planning and execution stages mainly due to ARPA resources received by the County. In 2023, land was acquired and a new county administration building project is being planned with occupancy anticipated by fall of 2026. In addition, a new Child Support Enforcement Agency building or significant remodeling of their current building, is also under discussion. Significant renovation over the coming years will transform that building into a usable space more accessible to the public. 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. Funds are in hand for the New County Administration building construction, although it is anticipated Allen County will most likely acquire some debt in order to facilitate the remaining two projects. 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, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activity	Total *	LODDI	Land Bank
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$111,371,450	\$8,920,715	\$120,292,165	\$0	\$0
Cash and Cash Equivalents in Segregated Accounts	301,500	0	301,500	167,074	851,724
Cash and Cash Equivalents with Escrow Agent	48,289	0	48,289	0	0
Investments in Segregated Accounts	0	0	0	89,484	0
Accounts Receivable	928,203	3,335,920	4,264,123	5,231	0
Accrued Interest Receivable	326,671	0	326,671	0	0
Permissive Sales Taxes Receivable	5,597,943	0	5,597,943	0	0
Permissive Motor Vehicle License Taxes Receivable	95,541	0	95,541	0	0
Due from Other Governments	9,819,601	0	9,819,601	0	0
Prepaid Items	1,113,026	13,885	1,126,911	15,862	0
Materials and Supplies Inventory	691,814	58,646	750,460	0	0
Property Held for Resale	0	0	0	0	33,832
Internal Balances	(122,225)	122,225	0	0	0
Property Taxes Receivable	15,815,783	0	15,815,783	0	0
Leases Receivable	2,360,165	0	2,360,165	0	0
Notes Receivable	268,040	0	268,040	0	0
Special Assessments Receivable	2,827,675	0	2,827,675	0	0
Net Pension Asset	820,849	42,095	862,944	0	0
Net OPEB Asset	1,936,530	99,311	2,035,841	0	0
Economic Development Properties	156,975	0	156,975	0	0
Nondepreciable Capital Assets	5,330,760	8,687,931	14,018,691	209,854	0
Depreciable Capital Assets, Net	80,721,436	39,780,219	120,501,655	1,611,131	10,371
Total Assets	240,410,026	61,060,947	301,470,973	2,098,636	895,927
<u>Deferred Outflows of Resources</u>					
Pension	17,831,567	1,249,981	18,900,752	0	0
OPEB	1,730,551	88,391	1,812,024	0	0
Total Deferred Outflows of Resources	19,562,118	1,338,372	20,712,776	0	0
<u>Liabilities</u>					
Accrued Wages Payable	606,699	49,856	656,555	0	0
Employee Withholdings Payable	623,299	0	623,299	0	0
Accounts Payable	1,541,578	114,796	1,656,374	8,832	0
Contracts Payable	0	476,944	476,944	0	0
Due to Other Governments	847,839	79,396	927,235	0	0
Unearned Revenue	9,322,659	0	9,322,659	0	0
Retainage Payable	48,289	434,284	482,573	0	0
Notes Payable	0	0	0	8,505	0
Other Liabilities	0	0	0	30,751	0
Long-Term Liabilities:					
Due Within One Year	4,427,258	1,635,305	6,062,563	0	0
Due in More Than One Year	15,571,963	15,660,525	31,232,488	467,707	0
Net Pension Liability	56,679,544	2,906,645	59,586,189	0	0
Total Liabilities	89,669,128	21,357,751	111,026,879	515,795	0
<u>Deferred Inflows of Resources</u>					
Property Taxes	14,861,179	0	14,861,179	0	0
Leases	2,360,165	0	2,360,165	0	0
Pension	402,928	113,877	336,009	0	0
OPEB	1,108,318	75,130	1,176,530	0	0
Total Deferred Inflows of Resources	18,732,590	189,007	18,733,883	0	0

(continued)

Allen County, Ohio
Statement of Net Position
Primary Government and Discretely Presented Component Units
December 31, 2024
(continued)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activity	Total *	LODDI	Land Bank
<u>Net Position</u>					
Net Investment in Capital Assets	\$75,385,102	\$30,979,712	\$106,364,814	\$1,820,985	\$10,371
Restricted for:					
Debt Service	5,259,452	0	5,259,452	0	0
Capital Projects	22,325,044	0	22,325,044	0	0
Public Works	7,617,713	0	7,617,713	0	0
Developmental Disabilities	12,162,676	0	12,162,676	0	0
Job and Family Services	3,853,890	0	3,853,890	0	0
Children Services	5,504,360	0	5,504,360	0	0
Real Estate Assessment	2,429,844	0	2,429,844	0	0
Opioid Settlement	1,278,461	0	1,278,461	0	0
Felony Care and Subsidy	788,273	0	788,273	0	0
Revolving Loan	993,155	0	993,155	0	0
Ditch Maintenance	3,636,601	0	3,636,601	0	0
Other Purposes	8,908,594	0	8,908,594	0	0
Pension and OPEB Plans	2,757,379	141,406	2,898,785	0	0
Unrestricted (Deficit)	(1,330,118)	9,731,443	8,401,325	(238,144)	885,556
Total Net Position	<u>\$151,570,426</u>	<u>\$40,852,561</u>	<u>\$192,422,987</u>	<u>\$1,582,841</u>	<u>\$895,927</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, 2024

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
<u>Governmental Activities</u>				
General Government:				
Legislative and Executive	\$14,778,512	\$5,117,602	\$918,189	\$484,040
Judicial	12,763,733	2,178,339	4,605,200	0
Public Safety	13,213,258	794,214	954,794	0
Public Works	13,843,649	4,830,727	6,919,667	1,808,576
Health				
Developmental Disabilities	11,055,497	0	3,776,797	0
Other Health	1,058,628	744,407	38,063	10,393,703
Human Services				
Job and Family Services	11,988,268	12,871	11,450,613	0
Children Services	8,844,757	79,860	6,185,107	0
Other Human Services	3,689,925	396,772	2,353,207	0
Conservation and Recreation	790,560	0	0	0
Economic Development and Assistance	0	0	156,975	0
Interest	105,896	0	0	0
Total Governmental Activities	92,132,683	14,154,792	37,358,612	12,686,319
<u>Business-Type Activity</u>				
Sewer	7,892,816	8,303,129	0	0
Total Primary Government	\$100,025,499	\$22,457,921	\$37,358,612	\$12,686,319
<u>Component Unit</u>				
LODDI	289,382	0	210,967	36,283
Land Bank	464,984	0	425,838	0
	\$754,366	\$0	\$636,805	\$36,283

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 as Previously Reported

Change in Accounting Principle - GASB 101 - See Note 3

Restated 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
(\$8,258,681)	\$0	(\$8,258,681)	\$0	\$0
(5,980,194)	0	(5,980,194)	0	0
(11,464,250)	0	(11,464,250)	0	0
(284,679)	0	(284,679)	0	0
(7,278,700)	0	(7,278,700)	0	0
10,117,545	0	10,117,545	0	0
(524,784)	0	(524,784)	0	0
(2,579,790)	0	(2,579,790)	0	0
(939,946)	0	(939,946)	0	0
(790,560)	0	(790,560)	0	0
156,975	0	156,975	0	0
(105,896)	0	(105,896)	0	0
(27,932,960)	0	(27,932,960)	0	0
0	410,313	410,313	0	0
(27,932,960)	410,313	(27,522,647)	0	0
0	0	0	(42,132)	0
0	0	0	0	(39,146)
0	0	0	(42,132)	(39,146)
3,675,980	0	3,675,980	0	0
5,710,113	0	5,710,113	0	0
2,320,686	0	2,320,686	0	0
1,670,946	0	1,670,946	0	0
496,522	0	496,522	0	0
21,546,571	0	21,546,571	0	0
3,250,341	0	3,250,341	54,263	218,920
6,071,122	26,519	6,097,641	1,983	0
4,286,057	273,610	4,559,667	25,756	131,265
49,028,338	300,129	49,328,467	82,002	350,185
27,398	(27,398)	0	0	0
49,055,736	272,731	49,328,467	82,002	350,185
21,122,776	683,044	21,805,820	39,870	311,039
136,788,530	40,716,664	177,505,194	1,542,971	584,888
(6,340,880)	(547,147)	(6,888,027)	0	0
130,447,650	40,169,517	170,617,167	1,542,971	584,888
\$151,570,426	\$40,852,561	\$192,422,987	\$1,582,841	\$895,927

Allen County, Ohio
Balance Sheet
Governmental Funds
December 31, 2024

	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Developmental Disabilities
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$33,397,928	\$4,347,155	\$2,507,429	\$13,403,562
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Accounts Receivable	162,657	11,951	0	4,760
Accrued Interest Receivable	326,671	0	0	0
Permissive Sales Taxes Receivable	5,424,636	0	0	0
Permissive Motor Vehicle License Taxes Receivable	0	95,541	0	0
Due from Other Governments	1,015,777	3,246,283	2,430,314	482,472
Prepaid Items	348,691	21,496	42,047	33,263
Materials and Supplies Inventory	60,187	577,243	16,768	33,353
Interfund Receivable	2,080,480	26,523	0	43,367
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	449,054	0	0	0
Cash with Escrow Agent	0	0	0	0
Property Taxes Receivable	4,479,210	0	0	6,445,757
Lease Receivable	2,353,506	0	6,659	0
Notes Receivable	67,787	0	0	0
Special Assessments Receivable	0	0	0	0
Total Assets	<u>\$50,166,584</u>	<u>\$8,326,192</u>	<u>\$5,003,217</u>	<u>\$20,446,534</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$254,570	\$45,703	\$80,355	\$102,638
Employee Withholdings Payable	623,299	0	0	0
Accounts Payable	435,925	63,348	126,183	89,080
Due to Other Governments	408,539	47,248	107,877	138,173
Unearned Revenue	0	0	0	0
Interfund Payable	5,514	21,496	43,024	37,054
Payable from Restricted Assets				
Retainage Payable	0	0	0	0
Total Liabilities	<u>1,727,847</u>	<u>177,795</u>	<u>357,439</u>	<u>366,945</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes Receivable	4,265,491	0	0	5,998,891
Unavailable Revenue	5,029,975	2,678,314	2,042,106	862,427
Lease	2,353,506	0	6,659	0
Total Deferred Inflows of Resources	<u>11,648,972</u>	<u>2,678,314</u>	<u>2,048,765</u>	<u>6,861,318</u>
<u>Fund Balance</u>				
Nonspendable	2,170,153	598,739	58,815	66,616
Restricted	0	4,871,344	2,538,198	13,151,655
Committed	2,036,192	0	0	0
Assigned	6,920,796	0	0	0
Unassigned (Deficit)	25,662,624	0	0	0
Total Fund Balance	<u>36,789,765</u>	<u>5,470,083</u>	<u>2,597,013</u>	<u>13,218,271</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$50,166,584</u>	<u>\$8,326,192</u>	<u>\$5,003,217</u>	<u>\$20,446,534</u>

See Accompanying Notes to the Basic Financial Statements

American Rescue Plan	Other Governmental	Total
\$10,812,174	\$46,454,148	\$110,922,396
0	301,500	301,500
0	748,835	928,203
0	0	326,671
0	173,307	5,597,943
0	0	95,541
0	2,644,755	9,819,601
0	667,529	1,113,026
0	4,263	691,814
0	204,670	2,355,040
0	0	449,054
0	48,289	48,289
0	4,890,816	15,815,783
0	0	2,360,165
0	200,253	268,040
0	2,827,675	2,827,675
<u>\$10,812,174</u>	<u>\$59,166,040</u>	<u>\$153,920,741</u>
\$642	\$122,791	\$606,699
0	0	623,299
0	827,042	1,541,578
99	145,903	847,839
9,322,659	0	9,322,659
0	2,370,177	2,477,265
0	48,289	48,289
<u>9,323,400</u>	<u>3,514,202</u>	<u>15,467,628</u>
0	4,596,797	14,861,179
0	5,634,026	16,246,848
0	0	2,360,165
0	10,230,823	33,468,192
0	671,792	3,566,115
1,488,774	44,308,601	66,358,572
0	1,623,593	3,659,785
0	4,813	6,925,609
0	(1,187,784)	24,474,840
<u>1,488,774</u>	<u>45,421,015</u>	<u>104,984,921</u>
<u>\$10,812,174</u>	<u>\$59,166,040</u>	<u>\$153,920,741</u>

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Allen County, Ohio
 Reconciliation of Total Governmental Fund Balance
 to Net Position of Governmental Activities
 December 31, 2024

Total Governmental Fund Balance		\$104,984,921
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		86,052,196
Economic development properties are not financial resources and, therefore, are not reported in the funds.		156,975
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Accounts Receivable	831,688	
Accrued Interest Receivable	176,591	
Permissive Sales Taxes Receivable	3,837,429	
Due from Other Governments	7,618,861	
Delinquent Property Taxes Receivable	954,604	
Special Assessments Receivable	<u>2,827,675</u>	
		16,246,848
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
OPWC Loans Payable	(1,074,050)	
OWDA Loans Payable	(1,599,749)	
Capital Loans Payable	(1,738,568)	
Leases Payable	(5,918,899)	
Compensated Absences Payable	<u>(9,667,955)</u>	
		(19,999,221)
The net pension/OPEB asset and net pension liability are not due and payable in the current period, therefore, the asset, liability and related deferred outflows/inflows are not reported in the governmental funds.		
Net Pension Asset	820,849	
Net OPEB Asset	1,936,530	
Deferred Outflows - Pension	17,831,567	
Deferred Inflows - Pension	(402,928)	
Net Pension Liability	(56,679,544)	
Deferred Outflows - OPEB	1,730,551	
Deferred Inflows - OPEB	<u>(1,108,318)</u>	
		<u>(35,871,293)</u>
Net Position of Governmental Activities		<u><u>\$151,570,426</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, 2024

	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Developmental Disabilities
<u>Revenues</u>				
Property Taxes	\$3,662,474	\$0	\$0	\$5,681,874
Permissive Sales Taxes	20,774,764	0	0	0
Permissive Motor Vehicle License Taxes	0	1,226,799	0	0
Charges for Services	5,270,137	846,421	15	0
Licenses and Permits	6,272	57,350	0	0
Fines, Forfeitures, and Settlements	71,587	209,316	0	0
Intergovernmental	2,972,504	7,802,411	11,126,883	3,143,364
Special Assessments	0	0	0	0
Lease	381,433	0	12,856	0
Investment Earnings and Other Interest	6,037,697	147,369	700	2,870
Gifts and Donations	0	0	0	0
Other	1,263,880	25,124	891,443	1,319,475
Total Revenues	40,440,748	10,314,790	12,031,897	10,147,583
<u>Expenditures</u>				
Current:				
General Government:				
Legislative and Executive	11,754,645	0	0	0
Judicial	9,126,739	0	0	0
Public Safety	11,126,063	0	0	0
Public Works	58,829	8,919,696	0	0
Health	257,193	0	0	10,171,062
Human Services	639,024	0	11,706,033	0
Conservation and Recreation	541,539	0	0	0
Economic Development and Assistance	0	0	0	0
Other	303,166	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	9,111	151,862	258,848	0
Interest	2,889	0	45,152	0
Total Expenditures	33,819,198	9,071,558	12,010,033	10,171,062
Excess of Revenues Over (Under) Expenditures	6,621,550	1,243,232	21,864	(23,479)
<u>Other Financing Sources (Uses)</u>				
OPWC Loans Issued	0	0	0	0
Sale of Capital Assets	0	38,379	2,100	0
Inception of Lease	0	0	0	0
Transfers In	0	0	344,475	0
Transfers Out	(1,349,820)	0	0	0
Total Other Financing Sources (Uses)	(1,349,820)	38,379	346,575	0
Changes in Fund Balance	5,271,730	1,281,611	368,439	(23,479)
Fund Balance Beginning of Year	31,518,035	4,188,472	2,228,574	13,241,750
Fund Balance End of Year	<u>\$36,789,765</u>	<u>\$5,470,083</u>	<u>\$2,597,013</u>	<u>\$13,218,271</u>

See Accompanying Notes to the Basic Financial Statements

<u>American Rescue Plan</u>	<u>Other Governmental</u>	<u>Total</u>
\$0	\$4,473,219	\$13,817,567
0	693,226	21,467,990
0	0	1,226,799
0	3,599,724	9,716,297
0	514,385	578,007
0	362,984	643,887
99,052	27,642,131	52,786,345
0	2,481,604	2,481,604
0	0	394,289
560,031	46,428	6,795,095
0	108,856	108,856
0	802,281	4,302,203
<u>659,083</u>	<u>40,724,838</u>	<u>114,318,939</u>
0	1,891,945	13,646,590
0	3,507,532	12,634,271
0	1,805,452	12,931,515
0	2,379,479	11,358,004
0	1,373,991	11,802,246
99,052	11,672,126	24,116,235
0	0	541,539
0	156,975	156,975
0	0	303,166
0	4,277,416	4,277,416
0	533,328	953,149
0	76,336	124,377
<u>99,052</u>	<u>27,674,580</u>	<u>92,845,483</u>
<u>560,031</u>	<u>13,050,258</u>	<u>21,473,456</u>
0	157,004	157,004
0	0	40,479
0	129,576	129,576
0	1,268,062	1,612,537
0	(78,315)	(1,428,135)
<u>0</u>	<u>1,476,327</u>	<u>511,461</u>
560,031	14,526,585	21,984,917
<u>928,743</u>	<u>30,894,430</u>	<u>83,000,004</u>
<u>\$1,488,774</u>	<u>\$45,421,015</u>	<u>\$104,984,921</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, 2024

Changes in Fund Balance - Total Governmental Funds \$21,984,917

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 depreciation/amortization exceeded capital outlay in the current year.

Capital Outlay - Nondepreciable Capital Assets	2,132,960	
Capital Outlay - Depreciable Capital Assets	2,495,110	
Economic Development Properties Addition	156,975	
Depreciation/Amortization	<u>(5,400,630)</u>	(615,585)

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	(40,479)	
Gain on Disposal of Capital Assets	88,013	
Loss on Disposal of Capital Assets	<u>(1,128)</u>	46,406

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

Delinquent Property Taxes	56,680	
Permissive Sales Taxes	78,581	
Charges for Services	(25,610)	
Fines, Forfeitures, and Settlements	(67,744)	
Intergovernmental	(357,327)	
Special Assessments	(792,737)	
Investment Earnings and Other Interest	33,425	
Other	<u>(104,159)</u>	(1,178,891)

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	85,000	
OPWC Loans Payable	151,862	
OWDA Loans Payable	305,518	
Capital Loans Payable	35,800	
Leases Payable	<u>374,969</u>	953,149

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. (129,576)

Debt proceeds are other financing sources in the governmental funds but the issuance increases long-term liabilities on the statement of net position.

OPWC Loans		(157,004)
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(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, 2024
 (continued)

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	\$302	
Amortization of Premium	<u>18,179</u>	18,481

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. 367,423

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	(5,782,971)	
OPEB Expense	<u>288,041</u>	(5,494,930)

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	5,266,312	
Contractually Required Contributions - OPEB	<u>62,074</u>	<u>5,328,386</u>

Change in Net Position of Governmental Activities \$21,122,776

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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$3,258,000	\$3,258,000	\$3,670,453	\$412,453
Permissive Sales Taxes	19,000,000	19,000,000	20,644,557	1,644,557
Charges for Services	4,903,439	4,903,439	5,165,106	261,667
Licenses and Permits	5,800	5,800	6,272	472
Fines, Forfeitures, and Settlements	183,000	183,000	73,590	(109,410)
Intergovernmental	2,643,700	2,643,700	2,981,056	337,356
Interest	3,500,000	3,500,000	5,372,875	1,872,875
Other	896,800	1,129,881	1,383,165	253,284
Total Revenues	34,390,739	34,623,820	39,297,074	4,673,254
<u>Expenditures</u>				
Current:				
General Government:				
Legislative and Executive	13,879,863	14,310,332	12,111,612	2,198,720
Judicial	10,009,468	10,434,702	9,350,112	1,084,590
Public Safety	12,146,760	12,678,837	11,297,887	1,380,950
Public Works	58,829	58,829	58,829	0
Health	252,622	264,380	259,654	4,726
Human Services	696,910	899,704	634,299	265,405
Conservation and Recreation	544,909	557,846	547,962	9,884
Other	109,378	356,560	303,166	53,394
Total Expenditures	37,698,739	39,561,190	34,563,521	4,997,669
Excess of Revenues Over (Under) Expenditures	(3,308,000)	(4,937,370)	4,733,553	9,670,923
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	220,000	220,000	269,439	49,439
Advances In	10,000	10,000	487,177	477,177
Advances Out	0	(50,000)	(50,000)	0
Transfers Out	(3,067,330)	(2,176,536)	(1,349,820)	826,716
Total Other Financing Sources (Uses)	(2,837,330)	(1,996,536)	(643,204)	1,353,332
Changes in Fund Balance	(6,145,330)	(6,933,906)	4,090,349	11,024,255
Fund Balance Beginning of Year	27,591,618	27,591,618	27,591,618	0
Prior Year Encumbrances Appropriated	120,156	120,156	120,156	0
Fund Balance End of Year	\$21,566,444	\$20,777,868	\$31,802,123	\$11,024,255

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, 2024

	<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	\$1,227,499	\$1,227,499	\$0
Charges for Services	790,000	866,000	789,533	(76,467)
Licenses and Permits	10,000	63,600	57,350	(6,250)
Fines, Forfeitures, and Settlements	180,000	220,000	209,320	(10,680)
Intergovernmental	7,438,951	7,823,764	7,797,189	(26,575)
Interest	100,000	150,000	145,975	(4,025)
Total Revenues	<u>9,718,951</u>	<u>10,350,863</u>	<u>10,226,866</u>	<u>(123,997)</u>
<u>Expenditures</u>				
Current:				
Public Works	10,056,320	10,908,747	9,345,831	1,562,916
Debt Service:				
Principal Retirement	151,862	151,862	151,862	0
Total Expenditures	<u>10,208,182</u>	<u>11,060,609</u>	<u>9,497,693</u>	<u>1,562,916</u>
Excess of Revenues Over (Under) Expenditures	<u>(489,231)</u>	<u>(709,746)</u>	<u>729,173</u>	<u>1,438,919</u>
<u>Other Financing Sources</u>				
Other Financing Sources	140,000	149,806	25,124	(124,682)
Sale of Capital Assets	0	0	38,379	38,379
Total Other Financing Sources	<u>140,000</u>	<u>149,806</u>	<u>63,503</u>	<u>(86,303)</u>
Changes in Fund Balance	(349,231)	(559,940)	792,676	1,352,616
Fund Balance Beginning of Year	2,651,380	2,651,380	2,651,380	0
Prior Year Encumbrances Appropriated	478,488	478,488	478,488	0
Fund Balance End of Year	<u>\$2,780,637</u>	<u>\$2,569,928</u>	<u>\$3,922,544</u>	<u>\$1,352,616</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
Job and Family Services Fund
For the Year Ended December 31, 2024

	<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	\$15	(\$485)
Intergovernmental	11,160,500	11,160,500	11,107,695	(52,805)
Other	<u>0</u>	<u>0</u>	<u>1,096</u>	<u>1,096</u>
Total Revenues	11,161,000	11,161,000	11,108,806	(52,194)
<u>Expenditures</u>				
Current:				
Human Services	<u>13,914,767</u>	<u>14,617,001</u>	<u>12,580,879</u>	<u>2,036,122</u>
Excess of Revenues Under Expenditures	<u>(2,753,767)</u>	<u>(3,456,001)</u>	<u>(1,472,073)</u>	<u>1,983,928</u>
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	1,429,300	1,429,300	1,072,033	(357,267)
Sale of Capital Assets	0	0	2,100	2,100
Transfers In	992,200	992,200	344,475	(647,725)
Transfers Out	<u>(450,000)</u>	<u>(468,000)</u>	<u>0</u>	<u>468,000</u>
Total Other Financing Sources (Uses)	<u>1,971,500</u>	<u>1,953,500</u>	<u>1,418,608</u>	<u>(534,892)</u>
Changes in Fund Balance	(782,267)	(1,502,501)	(53,465)	1,449,036
Fund Balance Beginning of Year	1,362,335	1,362,335	1,362,335	0
Prior Year Encumbrances Appropriated	<u>782,267</u>	<u>782,267</u>	<u>782,267</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,362,335</u>	<u>\$642,101</u>	<u>\$2,091,137</u>	<u>\$1,449,036</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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property Taxes	\$5,636,979	\$5,636,979	\$5,698,557	\$61,578
Intergovernmental	3,096,720	3,096,720	3,329,639	232,919
Interest	1,200	1,200	2,892	1,692
Other	94,000	94,000	91,080	(2,920)
Total Revenues	8,828,899	8,828,899	9,122,168	293,269
<u>Expenditures</u>				
Current:				
Health	10,719,401	11,075,041	10,455,769	619,272
Excess of Revenues Under Expenditures	(1,890,502)	(2,246,142)	(1,333,601)	912,541
<u>Other Financing Sources</u>				
Other Financing Sources	1,162,864	1,162,864	1,188,588	25,724
Changes in Fund Balance	(727,638)	(1,083,278)	(145,013)	938,265
Fund Balance Beginning of Year	13,304,489	13,304,489	13,304,489	0
Fund Balance End of Year	\$12,576,851	\$12,221,211	\$13,159,476	\$938,265

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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Interest	\$0	\$0	\$565,852	\$565,852
<u>Expenditures</u>				
Current:				
General Government:				
Legislative and Executive	4,901,250	4,986,277	0	4,986,277
Human Services	98,750	98,750	98,750	0
Total Expenditures	5,000,000	5,085,027	98,750	4,986,277
Changes in Fund Balance	(5,000,000)	(5,085,027)	467,102	5,552,129
Fund Balance Beginning of Year	10,302,094	10,302,094	10,302,094	0
Fund Balance End of Year	<u>\$5,302,094</u>	<u>\$5,217,067</u>	<u>\$10,769,196</u>	<u>\$5,552,129</u>

See Accompanying Notes to the Basic Financial Statements

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

	Sewer
<u>Assets</u>	
<u>Current Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$8,920,715
Accounts Receivable	3,335,920
Prepaid Items	13,885
Materials and Supplies Inventory	58,646
Interfund Receivable	136,110
Total Current Assets	12,465,276
<u>Non-Current Assets</u>	
<u>Restricted Assets:</u>	
Net Pension Asset	42,095
Net OPEB Asset	99,311
Nondepreciable Capital Assets	8,687,931
Depreciable Capital Assets, Net	39,780,219
Total Non-Current Assets	48,609,556
Total Assets	61,074,832
<u>Deferred Outflows of Resources</u>	
Pension	1,249,981
OPEB	88,391
Total Deferred Outflows of Resources	1,338,372
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accrued Wages Payable	49,856
Accounts Payable	114,796
Contracts Payable	476,944
Due to Other Governments	79,396
Interfund Payable	13,885
Retainage Payable	434,284
OWDA Loans Payable	1,318,166
Leases Payable	6,359
Compensated Absences Payable	310,780
Total Current Liabilities	2,804,466
<u>Non-Current Liabilities</u>	
OWDA Loans Payable	15,242,205
Net Pension Liability	2,906,645
Leases Payable	10,480
Compensated Absences Payable	407,840
Total Non-Current Liabilities	18,567,170
Total Liabilities	21,371,636
<u>Deferred Inflows of Resources</u>	
Pension	113,877
OPEB	75,130
Total Deferred Inflows of Resources	189,007
<u>Net Position</u>	
Net Investment in Capital Assets	30,979,712
Restricted for:	
Pension and OPEB Plans	141,406
Unrestricted	9,731,443
Total Net Position	\$40,852,561

See Accompanying Notes to the Basic Financial Statements

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

	Sewer
<u>Operating Revenues</u>	
Charges for Services	\$8,303,129
Other	248,610
Total Operating Revenues	8,551,739
<u>Operating Expenses</u>	
Personal Services	2,356,346
Materials and Supplies	343,124
Contractual Services	2,467,971
Other	2,350
Depreciation	2,326,837
Total Operating Expenses	7,496,628
Operating Income	1,055,111
<u>Non-Operating Revenues (Expenses)</u>	
Interest Revenue	26,519
Gain on Disposal of Capital Assets	25,000
Interest Expense	(396,188)
Total Non-Operating Revenues (Expenses)	(344,669)
Income before Capital Contributions and Transfers	710,442
Capital Contributions	157,004
Transfers Out	(184,402)
Change in Net Position	683,044
Net Position Beginning of Year as Previously Reported	40,716,664
Change in Accounting Principle - GASB 101 - See Note 3	(547,147)
Restated Net Position Beginning of Year	40,169,517
Net Position End of Year	\$40,852,561

See Accompanying Notes to the Basic Financial Statements

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

	Sewer
Increase (Decrease) in Cash and Cash Equivalents	
<u>Cash Flows from Operating Activities</u>	
Cash Received from Customers	\$8,162,990
Cash Payments for Personal Services	(2,446,749)
Cash Payments to Suppliers	(856,158)
Cash Payments for Contractual Services	(1,899,516)
Cash Received from Other Revenues	235,610
Cash Payments for Other Expenses	(2,350)
	3,193,827
Net Cash Provided by Operating Activities	
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	(6,014,645)
OWDA Loans Issued	4,641,722
Principal Paid on OWDA Loans	(1,397,410)
Interest Paid on OWDA Loans	(393,364)
Principal Paid on Capital Loan	(35,800)
Interest Paid on Capital Loan	(36,714)
Principal Paid on Financed Purchases	(78,090)
Interest Paid on Financed Purchases	(2,120)
Lease Principal	(3,005)
Lease Interest	(704)
Sale of Capital Assets	25,000
	(3,295,130)
Net Cash Used for Capital and Related Financing Activities	
<u>Cash Flows from Investing Activities</u>	
Interest	26,519
	(74,784)
Net Decrease in Cash and Cash Equivalents	
Cash and Cash Equivalents Beginning of Year	8,995,499
Cash and Cash Equivalents End of Year	\$8,920,715

(continued)

Allen County, Ohio
Statement of Cash Flows
Enterprise Fund
For the Year Ended December 31, 2024
(continued)

	Sewer
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided by Operating Activities</u>	
Operating Income	\$1,055,111
<u>Adjustments to Reconcile Operating Income to</u>	
<u>Net Cash Provided by Operating Activities</u>	
Depreciation	2,326,837
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(136,348)
Increase in Prepaid Items	(1,049)
Increase in Materials and Supplies Inventory	(5,159)
Increase in Interfund Receivable	(3,791)
Decrease in Net Pension Asset	1,806
Decrease in Net OPEB Asset	17,995
Decrease in Accrued Wages Payable	(27,658)
Increase in Accounts Payable	15,818
Increase in Due to Other Governments	39,901
Increase in Interfund Payable	1,049
Decrease in Compensated Absences Payable	(41,849)
Increase in Net Pension Liability	207,888
Decrease in Deferred Outflows - Pension	549,385
Decrease in Deferred Inflows - Pension	(757,608)
Decrease in Deferred Outflows - OPEB	105,578
Decrease in Deferred Inflows - OPEB	(154,079)
	2,138,716
Total Adjustments	
Net Cash Provided by Operating Activities	\$3,193,827

Non-Cash Capital Transactions

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

At December 31, 2024, the Sanitary Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of \$911,228.

During 2024, the Sanitary Sewer enterprise fund entered into a lease agreement in the amount of \$19,844.

During 2024, the Sanitary Sewer enterprise fund received assets constructed in governmental funds in the amount of \$157,004.

See Accompanying Notes to the Basic Financial Statements

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

	Martha Mark Private Purpose Trust	Custodial	
		External Investment Pool	Other Custodial
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$12,596	\$6,033,719	\$20,483,113
Cash and Cash Equivalents in Segregated Accounts	0	0	6,468,492
Due from Other Governments	0	0	5,541,105
Property Taxes Receivable	0	0	145,750,132
Special Assessments Receivable	0	0	21,041,768
 Total Assets	 12,596	 6,033,719	 199,284,610
<u>Liabilities</u>			
Due to Other Governments	0	0	5,593,137
<u>Deferred Inflows of Resources</u>			
Property Taxes	0	0	138,954,474
<u>Net Position</u>			
Held in Trust for the Benefit of Children	12,596	0	0
Restricted for Pool Participants	0	6,033,719	0
Restricted for Individuals, Organizations, and other Governments	0	0	54,736,999
 Total Net Position	 \$12,596	 \$6,033,719	 \$54,736,999

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, 2024

	Custodial	
	External Investment Pool	Other Custodial
<u>Additions</u>		
Investment Earnings and Other Interest	\$240,580	\$0
Intergovernmental Amounts for Other Governments	0	43,609,777
Amounts Received as Fiscal Agent	0	54,287,984
Licenses, Permits, and Fees for Other Governments	0	23,668,573
Fines and Forfeitures for Other Governments	0	1,489,481
Property Tax Collections for Other Governments	0	63,550,491
Other Local Tax Collections for Other Governments	0	474,360
Special Assessments Collections for Other Governments	0	5,506,330
Sheriff Sales Collections for Others	0	1,077,195
Other	0	1,215,468
Total Additions Before Capital Transactions	240,580	194,879,659
Capital Transactions		
Amounts Invested	10,585,489	0
Amounts Distributed	(10,084,156)	0
Net Capital Transactions	501,333	0
Total Additions	741,913	194,879,659
<u>Deductions</u>		
Distributions to Participants	240,580	0
Distributions to the State of Ohio	0	830,887
Distributions of State Funds to Other Governments	0	43,436,513
Distributions as Fiscal Agent	0	51,003,583
Distributions to Individuals	0	705,012
Licenses, Permits, and Fees Distributions to Other Governments	0	23,331,325
Fines and Forfeitures Distributions to Other Governments	0	1,488,422
Property Tax Distributions to Other Governments	0	64,478,212
Other Local Tax Distributions to Other Governments	0	474,360
Special Assessments Distributions to Other Governments	0	3,453,365
Sheriff Sales Distributions to Others	0	1,215,940
Total Deductions	240,580	190,417,619
Change in Net Position	501,333	4,462,040
Net Position Beginning of Year	5,532,386	50,274,959
Net Position End of Year	\$6,033,719	\$54,736,999

See Accompanying Notes to the Basic Financial Statements

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

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024, but which were levied to finance 2025 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.

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

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, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

During 2024, 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 2024, 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. Transactions in all of a participant's accounts will be combined for this purpose.

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 2024 was \$6,037,697, which includes \$4,436,465 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, 2024, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

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. Economic Development Properties

The County has purchased property to make improvements for repurposing it as a viable and productive property within the community and donating to Bath Township in a future year. The property is reported as economic development properties and are valued at fair market value at the time acquired. Since the property is expected to be donated to Bath Township, it is reported in the governmental activities column of the statement of net position, but are not reported in the fund financial statements.

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

Note 2 - Summary of Significant Accounting Policies (continued)

J. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund includes unclaimed monies legally required to be maintained until the end of a five-year holding period. Restricted assets in the enterprise fund represent amounts held in trust by the pension plans for future benefits.

K. 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:

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>
Land Improvements	35 years	n/a
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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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.

L. 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”.

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.

M. Compensated Absences

For the County, compensated absences includes leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The County does not offer noncash settlements. The County uses a first-in first-out flow assumption for compensated absences.

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

N. 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.

O. 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.

P. 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.

Note 2 - Summary of Significant Accounting Policies (continued)

Q. 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.

R. 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. Nonspendable fund balance in the General Fund includes unclaimed monies legally required to be maintained until the end of a five-year holding period. It also includes the long-term portion of interfund receivables, where applicable.

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.

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

Note 2 - Summary of Significant Accounting Policies (continued)

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 2025 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.

S. 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.

Note 2 - Summary of Significant Accounting Policies (continued)

T. Settlement Monies

During 2023, Ohio reached a settlement agreement with Monsanto. As a participating subdivision, the County received settlement monies in 2023 but no settlement monies were received in 2024.

U. Capital Contributions

Capital contributions arise from contributions from other funds of the County.

V. 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.

W. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability (asset) and OPEB 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.

Note 2 - Summary of Significant Accounting Policies (continued)

X. 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 and Restatement of Fund Balances and Net Position

A. Change in Accounting Principles

For 2024, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update - 2023*. The County also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update - 2021* and GASB Statement No. 101, *Compensated Absences*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The County reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and GASB Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning net position/fund balance.

GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The effects of implementing the GASB pronouncement is shown on the table on the following page.

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

Note 3 - Changes in Accounting Principles and Restatement of Fund Balances and Net Position
(continued)

B. Restatement of Fund Balances and Net Position

For the County, GASB Statement No. 101 increased the compensated absences liability and the cumulative effects of compensated absence related expense on beginning net position as shown on the following table.

	12/31/2023 As Previously Reported	Change in Accounting Principles <u>GASB 101</u>	12/31/2023 As Restated
Government-Wide			
Governmental Activities	\$136,788,530	(\$6,340,880)	\$130,447,650
Business-type Activities	40,716,664	(547,147)	40,169,517
Total Primary Government	\$177,505,194	(\$6,888,027)	\$170,617,167
Governmental Funds			
Major Funds:			
General	\$31,518,035	\$0	\$31,518,035
Motor Vehicle Gas Tax	4,188,472	0	4,188,472
Job and Family Services	2,228,574	0	2,228,574
Developmental Disabilities	13,241,750	0	13,241,750
American Rescue Plan	928,743	0	928,743
All Other Governmental Funds	30,894,430	0	30,894,430
Total Governmental Funds	\$83,000,004	\$0	\$83,000,004
Proprietary Funds			
Enterprise Funds			
Sewer	\$40,716,664	(\$547,147)	\$40,169,517
Fiduciary Funds			
External Investment Pool	\$5,532,386	\$0	\$5,532,386
Other Custodial	50,274,959	0	50,274,959
Total Fiduciary Funds	\$55,807,345	\$0	\$55,807,345

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).

Note 4 - Accountability and Compliance

A. Accountability

At December 31, 2024, the Wellness and CDBG special revenue funds, the special assessment bond retirement debt service fund, and the Water Projects and the Ditch Construction projects funds had a deficit fund balance, in the amount of \$1,342, \$1,647, \$7,223, \$11,830, and \$1,165,702, 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, 2024, the Handgun License special revenue fund had final appropriations in excess of estimated resources plus available balances, in the amount of \$268.

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).
4. Advances in and out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

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	\$5,271,730	\$1,281,611	\$368,439	(\$23,479)	\$560,031
<u>Increase (Decrease) Due To</u>					
Revenue Accruals					
Accrued 2023, Received in Cash 2024	1,877,726	640,574	536,750	189,797	(19,269,574)
Accrued 2024, Not Yet Received in Cash	(2,416,250)	(701,984)	(388,208)	(115,038)	9,322,659
Expenditure Accruals:					
Accrued 2023, Paid in Cash 2024	(1,586,483)	(258,804)	(575,011)	(644,355)	9,847,424
Accrued 2024, Not Yet Paid in Cash	1,104,548	177,795	357,439	366,945	741
Cash Adjustments					
Unrecorded Activity 2023	788,882	93,671	70,304	325,428	48,799
Unrecorded Activity 2024	(1,342,828)	(95,083)	(72,927)	(244,086)	(42,978)
Prepaid Items	(30,226)	(1,388)	(4,328)	(2,117)	0
Materials and Supplies Inventory	(1,652)	(14,188)	(2,558)	1,892	0
Payment on Notes Receivable	66,457	0	0	0	0
Advances In	487,177	0	0	0	0
Advances Out	(50,000)	0	0	0	0
Encumbrances Outstanding at					
Year End (Budget Basis)	(78,732)	(329,528)	(343,365)	0	0
Budget Basis	<u>\$4,090,349</u>	<u>\$792,676</u>	<u>(\$53,465)</u>	<u>(\$145,013)</u>	<u>\$467,102</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, 2024

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, 2024

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, 2024

Note 6 - Deposits and Investments (continued)

Investments

As of December 31, 2024, 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	\$16,185,384	\$16,185,384	\$0
Fair Value (Level 2 Inputs)			
Federal Home Loan Bank Notes	3,616,935	458,289	3,158,646
Federal Home Loan Mortgage Notes	1,991,180	1,991,180	0
United States Treasury Notes	19,793,752	3,977,780	15,815,972
Negotiable Certificates of Deposit	15,055,429	1,197,262	13,858,167
Net Asset Value Per Share			
STAR Ohio	85,564,951	85,564,951	0
Total Investments	<u>\$142,207,631</u>	<u>\$109,374,846</u>	<u>\$32,832,785</u>

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the County's recurring fair value measurements as of December 31, 2024. 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).

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, 2024

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	of Portfolio
Federal Home Loan Bank Notes	\$3,616,935	2.54%
Federal Home Loan Mortgage Notes	1,991,180	1.40
United States Treasury Notes	19,793,752	13.92
Negotiable Certificates of Deposit	15,055,429	10.59

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	\$146,821,593
Accrued Interest Receivable	326,671
Total Assets	\$147,148,264
 <u>Net Position Held in Trust for Pool Participants</u>	
Internal Portion	\$141,114,545
External Portion	6,033,719
Total Net Position Held in Trust for Pool Participants	\$147,148,264

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

Note 7 - Investment Pool (continued)

Statement of Changes in Net Position
For the Year Ended December 31, 2024

<u>Additions</u>	
Investment Earnings	\$7,095,619
Capital Transactions	18,747,898
Total Additions	<u>25,843,517</u>
<u>Deductions</u>	
Distributions to Participants	<u>(6,384,168)</u>
Change in Net Position	19,459,349
Net Position Beginning of Year	<u>127,688,915</u>
Net Position End of Year	<u><u>\$147,148,264</u></u>

See Note 6 for description of investments.

Note 8 - Receivables

Receivables at December 31, 2024, consisted of accounts (e.g., billings for user charged services, including unbilled charges and opioid settlement monies); 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 \$139,027, will not be received within one year. Special assessments receivable, in the amount of \$1,227,719 will not be received within one year. At December 31, 2024, the amount of delinquent special assessments was \$205,614.

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, 2024

Note 8 - Receivables (continued)

A summary of the changes in notes receivable during 2024 follows:

	Balance December 31, 2023	New Loans	Repayments	Balance December 31, 2024
General Fund				
Veteran's Memorial Civic and Convention Center	\$134,244	\$0	\$66,457	\$67,787
Special Revenue Funds				
Revolving Loan Fund				
Housing Assistance Program	185,844	0	19,217	166,627
Community Development Block Grant	101,241	0	42,009	59,232
Total Revolving Loan Fund	287,085	0	61,226	225,859
	\$421,329	\$0	\$127,683	293,646
Less Allowance for Uncollectible Accounts				(25,606)
				\$268,040

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 \$748,085 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 \$594,831 not expected to be collected in 2025.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Local Government	\$542,602
Election Costs	27,328
Homestead and Rollback	259,445
Indigent Defense	183,646
Bureau of Workers' Compensation	2,756
Total General Fund	1,015,777

(continued)

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

Note 8 - Receivables (continued)

	Amount
Governmental Activities (continued)	
Major Funds (continued)	
Motor Vehicle and Gasoline Tax	
Gasoline Tax	\$1,899,901
Motor Vehicle License Fees	1,316,767
Charges for Services	29,615
Total Motor Vehicle and Gasoline Tax	3,246,283
Job and Family Services	
Department of Job and Family Services	2,430,296
Bureau of Workers' Compensation	18
Total Job and Family Services	2,430,314
Developmental Disabilities	
Allen County Educational Service Center	7,409
Bureau of Workers' Compensation	795
State of Ohio	211,004
Homestead and Rollback	263,264
Total Developmental Disabilities	482,472
Total Major Funds	7,174,846
Governmental Activities	
Nonmajor Funds	
Drug Law Enforcement	
Sheriff's Grants	148,682
Child Support Enforcement Agency	
Child Support Enforcement	133,699
Children Services	
Department of Job and Family Services	434,219
Mental Health and Recovery Services Board	9,836
Wood County Job and Family Services	4,866
Homestead and Rollback	115,338
Total Children Services	564,259
Law Library	
City of Lima	24,740
Felony Care and Subsidy	
Ohio Department of Youth Services	208,750

(continued)

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

Note 8 - Receivables (continued)

	Amount
Governmental Activities (continued)	
Nonmajor Funds (continued)	
Adult Probation Grant	
Ohio Department of Rehabilitation and Correction	\$678,379
Emergency Management Agency	
Emergency Management Grants	19,657
Future Debt Service	
Homestead and Rollback	117,926
Sewer Projects	
City of Lima	5,290
Marimor Permanent Improvement	
Homestead and Rollback	22,893
Building and Expansion	
Casino Tax	720,480
Total Nonmajor Funds	2,644,755
Total Governmental Activities	\$9,819,601
Custodial Funds	
Local Government	\$1,792,322
Library Local Government	2,273,558
Gasoline Tax	982,417
Motor Vehicle License Fees	492,808
Total Custodial Funds	\$5,541,105

The County is reporting leases receivable of \$2,360,165 in governmental funds at December 31, 2024. These amounts represent the discounted future lease payments. The discount is being amortized using the interest method. For 2024, the County recognized lease revenue of \$381,433 and \$12,856 and interest revenue of \$57,835 and \$700 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, 2024

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
2025	\$400,495	\$49,199
2026	296,833	40,939
2027	249,115	36,254
2028	262,282	31,795
2029	209,652	27,293
2030-2034	703,552	80,791
2035-2037	238,236	7,364
	<u>\$2,360,165</u>	<u>\$273,635</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, 2024

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 2024 represent the collection of 2023 taxes. Real property taxes received in 2024 were levied after October 1, 2023, on the assessed values as of January 1, 2023, 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 2024 represent the collection of 2023 taxes. Public utility real and tangible personal property taxes received in 2024 became a lien on December 31, 2022, were levied after October 1, 2023, 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, 2024, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2024 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, 2024, was \$11.40 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2024 property tax receipts were based are as follows:

Real Property	
Residential	\$1,546,117,560
Agriculture	178,203,000
Commercial/Industrial/Mineral	485,283,400
Public Utility Property	
Real	1,614,790
Personal	272,150,370
Total Assessed Value	<u><u>\$2,483,369,120</u></u>

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

Note 11 - Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$4,213,357	\$0	\$0	\$4,213,357
Construction in Progress	3,675,086	2,132,960	(4,690,643)	1,117,403
Total Nondepreciable Capital Assets	<u>7,888,443</u>	<u>2,132,960</u>	<u>(4,690,643)</u>	<u>5,330,760</u>
Depreciable Capital Assets				
Tangible Assets				
Land Improvements	0	3,414,183	0	3,414,183
Buildings and Improvements	75,222,832	1,339,700	0	76,562,532
Machinery and Equipment	4,994,051	483,140	(53,582)	5,423,609
Vehicles	5,681,286	861,828	(411,865)	6,131,249
Furniture, Fixtures, and Equipment	7,710,128	0	(62,487)	7,647,641
Roads	40,570,516	790,607	0	41,361,123
Bridges	38,905,530	266,719	0	39,172,249
Total Tangible Assets	<u>173,084,343</u>	<u>7,156,177</u>	<u>(527,934)</u>	<u>179,712,586</u>
Intangible Assets-Lease Assets				
Intangible Right to Use Assets - Building	6,609,094	0	0	6,609,094
Intangible Right to Use Assets - Vehicles	204,638	129,576	0	334,214
Total Intangible Assets-Lease Assets	<u>6,813,732</u>	<u>129,576</u>	<u>0</u>	<u>6,943,308</u>
Total Depreciable Capital Assets	<u>179,898,075</u>	<u>7,285,753</u>	<u>(527,934)</u>	<u>186,655,894</u>

(continued)

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

Note 11 - Capital Assets (continued)

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024
Governmental Activities (continued)				
Less Accumulated Depreciation/Amortization for Depreciation				
Land Improvements	\$0	(\$97,548)	\$0	(\$97,548)
Buildings and Improvements	(46,973,542)	(1,425,327)	0	(48,398,869)
Machinery and Equipment	(2,415,430)	(304,157)	1,116	(2,718,471)
Vehicles	(3,961,689)	(555,871)	411,865	(4,105,695)
Furniture, Fixtures, and Equipment	(4,934,029)	(445,505)	61,359	(5,318,175)
Roads	(26,546,953)	(1,871,774)	0	(28,418,727)
Bridges	(15,505,374)	(321,415)	0	(15,826,789)
Total Depreciation	(100,337,017)	(5,021,597)	474,340	(104,884,274)
Intangible Assets-Lease Assets				
Intangible Right to Use Assets - Buildings	(628,164)	(319,037)	0	(947,201)
Intangible Right to Use Assets - Vehicles	(42,987)	(59,996)	0	(102,983)
Total Intangible Assets-Lease Assets	(671,151)	(379,033)	0	(1,050,184)
Total Accumulated Depreciation/Amortization	(101,008,168)	(5,400,630)	474,340	(105,934,458)
Total Depreciable Capital Assets, Net	78,889,907	1,885,123	(53,594)	80,721,436
Governmental Activities Capital Assets, Net	\$86,778,350	\$4,018,083	(\$4,744,237)	\$86,052,196
	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024
Business-Type Activity				
Nondepreciable Capital Assets				
Land	\$51,219	\$0	\$0	\$51,219
Construction in Progress	2,110,878	6,525,834	0	8,636,712
Total Nondepreciable Capital Assets	2,162,097	6,525,834	0	8,687,931
Depreciable Capital Assets				
Tangible Assets				
Buildings and Improvements	3,551,806	0	0	3,551,806
Machinery, Equipment, and Vehicles	3,084,600	349,871	(79,836)	3,354,635
Infrastructure	84,384,929	0	0	84,384,929
Total Tangible Assets	91,021,335	349,871	(79,836)	91,291,370
Intangible Assets-Lease Assets				
Intangible Right to Use Assets - Vehicles	0	24,564	0	24,564
Total Depreciable Capital Assets	91,021,335	374,435	(79,836)	91,315,934

(continued)

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

Note 11 - Capital Assets (continued)

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024
Business-Type Activity (continued)				
Less Accumulated Depreciation/Amortization for Depreciation				
Buildings and Improvements	(\$1,825,182)	(\$101,480)	\$0	(\$1,926,662)
Machinery, Equipment, and Vehicles	(2,109,287)	(216,457)	79,836	(2,245,908)
Infrastructure	(45,354,245)	(2,004,806)	0	(47,359,051)
Total Depreciation	<u>(49,288,714)</u>	<u>(2,322,743)</u>	<u>79,836</u>	<u>(51,531,621)</u>
Intangible Assets-Lease Assets				
Intangible Right to Use Assets - Vehicles	0	(4,094)	0	(4,094)
Total Accumulated Depreciation/Amortization	<u>(49,288,714)</u>	<u>(2,326,837)</u>	<u>79,836</u>	<u>(51,535,715)</u>
Total Depreciable Capital Assets, Net	<u>41,732,621</u>	<u>(1,952,402)</u>	<u>0</u>	<u>39,780,219</u>
Business-Type Activity				
Capital Assets, Net	<u>\$43,894,718</u>	<u>\$4,573,432</u>	<u>\$0</u>	<u>\$48,468,150</u>

Business-type activities accepted a contribution of capital assets from governmental activities, in the amount of \$157,004.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government			
Legislative and Executive	\$629,433	\$48,344	\$677,777
Judicial	305,648	54,301	359,949
Public Safety	489,494	0	489,494
Public Works	2,865,339	0	2,865,339
Health	329,909	21,560	351,469
Human Services	168,537	254,828	423,365
Conservation and Recreation	233,237	0	233,237
Total Depreciation/Amortization Expense			
Governmental Activities	<u>\$5,021,597</u>	<u>\$379,033</u>	<u>\$5,400,630</u>

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

Note 12 - Interfund Receivables/Payables

Interfund balances at December 31, 2024, consisted of the following receivables and payables:

Due to General Fund from:	
Motor Vehicle and Gasoline Tax	\$21,496
Job and Family Services	43,024
Developmental Disabilities	33,263
Other Governmental	1,968,812
Sewer	<u>13,885</u>
Total Due to General Fund	<u><u>\$2,080,480</u></u>
Due to Motor Vehicle and Gasoline Tax Fund from:	
General	\$844
Other Governmental	<u>25,679</u>
Total Due to Motor Vehicle and Gasoline Tax Fund	<u><u>\$26,523</u></u>
Due to Developmental Disabilities Fund from:	
Other Governmental	<u><u>\$43,367</u></u>
Due to Other Governmental Funds from:	
General Fund	\$4,670
Other Governmental	<u>200,000</u>
Total Due to Other Governmental Funds	<u><u>\$204,670</u></u>
Due to Sewer Fund from:	
Developmental Disabilities	\$3,791
Other Governmental	<u>132,319</u>
Total Due to Sewer Fund	<u><u>\$136,110</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 \$1,374,755 to the General Fund, \$200,000 to other governmental funds, and \$132,319 to the Sewer enterprise fund.

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

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 2024, 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 2023 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, 2024

Note 14 - Construction and Other Significant Commitments

The County had various outstanding contracts at December 31, 2024. The following amounts remain on these contracts.

Vendor	Outstanding Balance
Access Engineering Solutions	\$80,250
All Temp Refrigeration	1,927,905
Allen County Common Pleas Court	189,473
Allen County Regional Transit	53,186
Allen County Sheriff	39,811
Basinger Process Services, LLC	52,567
Bullock Home Care, LLC	78,069
Charles Contracting LLC	8,671,906
Civil & Environmental Consultants	39,314
Courtview Justice Solutions	114,410
Delphos Senior Citizens Center	20,181
Enterprise FM Trust	72,881
Evans, Mechwart, Hambleton	10,845
Farber Specialty Vehicles	444,543
Fishel Downey Albrecht & Riepenhoff, LLC	23,696
Guiding Light Home	15,000
Imagesoft, Inc.	17,649
K & P Medical Transport	69,125
Kalida Truck Equipment, Inc.	115,700
Koester Electric Inc.	1,096,250
Lyon Financial Services	11,328
Martin Investigative Services	87,388
Mastermind LLC	13,285
Maximus Consulting Services	15,250
Morton Salt	19,473
MS Consultants, Inc.	1,045,725
Northwestern Ohio Security	575,750
Ohio Valley Integration	33,378
Peterson Construction	17,472,297
Rush Truc Center of Ohio, Inc.	106,848
Shaferly Utilities, LLC	45,084
Starfish Computer Corporation	10,368
Tawa Tree Service	22,369
Transportation Services	81,727
Valley Transport, LLC	13,244
WDC Group, LLC	818,772
Woolpert Consultants	50,000

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

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 2025 are as follows:

General Fund	\$78,732
Motor Vehicle and Gasoline Tax Fund	329,528
Job and Family Services Fund	343,365
Other Governmental Funds	14,275,776
	<u>\$15,027,401</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 Asset

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

The net pension/OPEB liability (asset) represent the 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.

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

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/OPEB asset or a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable. The remainder of this note includes the required pension disclosures. See Note 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, 2024, the Combined Plan was consolidated into the Traditional Pension Plan, as approved by the legislature in House Bill 33. The Traditional Pension Plan includes members of the legacy Combined Plan, a hybrid defined benefit/defined contribution plan which was closed to new members effective January 1, 2022. New members are no longer able to select the Combined Plan and current members are no longer able to make a plan change to the Combined Plan. The Combined Plan was consolidated into the Traditional Pension Plan effective January 1, 2024, as a separate division. No changes were made to the benefit design features of the Combined Plan as part of this consolidation so that members in this plan will experience no changes. The County's 2024 net pension liability (asset) for OPERS is measured as of December 31, 2023, and reflects the Traditional Plan and the Combined Plan as two separate plans. The County's 2025 financial statements will reflect the effects of the Combined Plan being consolidated into the Traditional Pension 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.

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

Note 16 - Defined Benefit Pension Plan (continued)

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

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

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

Note 16 - Defined Benefit Pension Plan (continued)

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

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

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

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

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 member's original 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.

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

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

Note 16 - Defined Benefit Pension Plan (continued)

	State and Local			
	Traditional	Combined	Public Safety	Law Enforcement
2024 Statutory Maximum Contribution Rates				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
2024 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 2024, the County's contractually required contribution was \$5,391,019 for the traditional plan, \$145,361 for the combined plan and \$153,017 for the member-directed plan. Of these amounts, \$589,315 is reported as an intergovernmental payable for the traditional plan, \$15,645 for the combined plan, and \$13,517 for the member-directed plan.

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

Note 16 - Defined Benefit Pension Plan (continued)

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

The net pension liability (asset) for OPERS was measured as of December 31, 2023, and the total pension liability 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>Total</u>
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.22759838%	0.28073930%	
Prior Measurement Date	<u>0.22627408%</u>	<u>0.26872220%</u>	
Change in Proportionate Share	<u>0.00132430%</u>	<u>0.01201710%</u>	
Proportionate Share of the:			
Net Pension Liability	\$59,586,189	\$0	\$59,586,189
Net Pension Asset	0	862,944	862,944
Pension Expense	6,009,381	45,129	6,054,510

2024 pension expense for the member-directed defined contribution plan was \$153,017. The aggregate pension expense for all pension plans was \$6,207,527 for 2024.

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

Note 16 - Defined Benefit Pension Plan (continued)

At December 31, 2024, 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	\$973,886	\$34,971	\$1,008,857
Changes of assumptions	0	32,025	32,025
Net difference between projected and actual earnings on pension plan investments	12,027,034	140,351	12,167,385
Changes in proportion and differences between County contributions and proportionate share of contributions	154,763	1,342	156,105
County contributions subsequent to the measurement date	<u>5,391,019</u>	<u>145,361</u>	<u>5,536,380</u>
Total Deferred Outflows of Resources	<u>\$18,546,702</u>	<u>\$354,050</u>	<u>\$18,900,752</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$85,350	\$85,350
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>148,648</u>	<u>102,011</u>	<u>250,659</u>
Total Deferred Inflows of Resources	<u>\$148,648</u>	<u>\$187,361</u>	<u>\$336,009</u>

\$5,536,380 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 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Year Ending December 31:			
2025	\$2,964,513	\$4,035	\$2,968,548
2026	4,080,152	21,224	4,101,376
2027	7,674,974	63,166	7,738,140
2028	(1,712,604)	(40,961)	(1,753,565)
2029	0	(12,398)	(12,398)
Thereafter	<u>0</u>	<u>(13,738)</u>	<u>(13,738)</u>
Total	<u>\$13,007,035</u>	<u>\$21,328</u>	<u>\$13,028,363</u>

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

Note 16 - Defined Benefit Pension Plan (continued)

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, 2023, using the following key actuarial assumptions and methods applied to all prior 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 (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple	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

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.

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

Note 16 - Defined Benefit Pension Plan (continued)

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 6.9 percent for the Traditional Pension Plan, Combined Plan and Member-Directed 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 benefit 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.

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

Note 16 - Defined Benefit Pension Plan (continued)

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	\$93,804,672	\$59,586,189	\$31,126,354
OPERS Combined Plan	(522,175)	(862,944)	(1,131,379)

Note 17 - Defined Benefit OPEB Plan

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

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. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

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

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

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

Note 17 - Defined Benefit OPEB Plan (continued)

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:

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

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

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

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

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

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

Group A 30 years of qualified health care service credit;

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

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

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

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

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

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

Note 17 - Defined Benefit OPEB Plan (continued)

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

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

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

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

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

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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.

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

Note 17 - Defined Benefit OPEB Plan (continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary 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 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$65,257 for 2024. Of this amount, \$7,027 is reported as an intergovernmental payable.

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

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

	OPERS
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.22557216%
Prior Measurement Date	0.22386246%
Change in Proportionate Share	0.00170970%
Proportionate Share of the Net OPEB Asset	\$2,035,841
OPEB Expense	(315,364)

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

Note 17 - Defined Benefit OPEB Plan (continued)

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

	OPERS
Deferred Outflows of Resources	
Change of assumptions	\$524,128
Net difference between projected and actual earnings on OPEB plan investments	1,222,639
County Contributions subsequent to the measurement date	65,257
Total Deferred Outflows of Resources	\$1,812,024
Deferred Inflows of Resources	
Differences between expected and actual experiences	\$289,760
Change of assumptions	875,148
Changes in proportionation and differences between County contributions and proportionate share of contributions	11,622
Total Deferred Inflows of Resources	\$1,176,530

\$65,257 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 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending December 31:	
2025	(\$59,455)
2026	90,819
2027	951,717
2028	(412,844)
Total	\$570,237

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

Note 17 - Defined Benefit OPEB Plan (continued)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (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 the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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

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

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

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

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

Note 17 - Defined Benefit OPEB Plan (continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

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

Discount Rate - A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. (Fidelity Index's "20-Year Municipal GO AA Index") The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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

Note 17 - Defined Benefit OPEB Plan (continued)

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents the County's proportionate share of the net OPEB asset calculated using the single discount rate of 5.70 percent, as well as what the County's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
County's proportionate share of the net OPEB liability (asset)	\$1,118,838	(\$2,035,841)	(\$4,649,042)

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care 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 asset	(\$2,120,378)	(\$2,035,841)	(\$1,939,921)

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, 2024

Note 19 - Long-Term Obligations

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

	Interest Interest Rate	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year
Governmental Activities						
Special Assessment Bonds with Government						
Commitment						
2005 Delmar/Glenn Sewer (Original Amount \$342,600)	3.0 - 5.0	\$24,200	\$0	\$24,200	\$0	\$0
2005 Trebor Drive Waterline (Original Amount \$11,000)	3.0 - 5.0	800	0	800	0	0
2005 Oakview Project (Original Amount \$805,000)	3.0 - 5.0	60,000	0	60,000	0	0
2006 Bond Premium		18,179	0	18,179	0	0
Total Special Assessment Bonds		<u>103,179</u>	<u>0</u>	<u>103,179</u>	<u>0</u>	<u>0</u>
OPWC Loans from Direct Borrowings						
Second						
(Original Amount \$188,611)	0.00	9,429	0	9,429	0	0
Eastown 1						
(Original Amount \$995,670)	0.00	124,460	0	49,785	74,675	24,892
Eastown 2						
(Original Amount \$135,232)	0.00	23,664	0	6,760	16,904	3,381
OPWC Loans from Direct Borrowings						
Eastown 4						
(Original Amount \$684,638)	0.00	239,623	0	34,232	205,391	17,116
Road Resurfacing						
(Original Amount \$345,518)	0.00	103,655	0	17,276	86,379	8,638
Shawnee Road						
(Original Amount \$500,000)	0.00	360,000	0	20,000	340,000	10,000
Hume Road						
(Original Amount \$65,000)	0.00	46,800	0	2,600	44,200	1,300
Zurmehly Road Bridge						
(Original Amount \$190,192)	0.00	128,381	0	9,511	118,870	4,755
Kill Road Reconstruction						
(Original Amount \$45,375)	0.00	32,896	0	2,269	30,627	1,134
Slabtown-Bluelick Roads Low Pressure						
(Original Amount \$157,004)	0.00	0	157,004	0	157,004	0
Total OPWC Loans		<u>1,068,908</u>	<u>157,004</u>	<u>151,862</u>	<u>1,074,050</u>	<u>71,216</u>

(continued)

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

Note 19 - Long-Term Obligations (continued)

	Interest Rate	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year
Governmental Activities (continued)						
OWDA Loans from Direct Borrowings						
Lutz/Early (Original Amount \$718,512)	1.00%	\$78,471	\$0	\$39,040	\$39,431	\$39,431
4 th /Bowman (Original Amount \$437,856)	0.00	43,785	0	21,893	21,892	21,892
Perry Schools Sewer (Original Amount \$482,944)	3.42	158,576	0	29,602	128,974	30,622
Findlay Rd (Original Amount \$429,009)	3.42	119,113	0	28,281	90,832	29,256
Westminister (Original Amount \$3,373,636)	0.00	1,265,112	0	168,682	1,096,430	168,682
Indian Village Mobile Home Park (Original Amount \$375,581)	3.74	240,210	0	18,020	222,190	18,700
Total OWDA Loans		<u>1,905,267</u>	<u>0</u>	<u>305,518</u>	<u>1,599,749</u>	<u>308,583</u>
Net Pension Liability						
Ohio Public Employees Retirement System		64,396,044	0	7,716,499	56,679,545	0
Net OPEB Liability						
Ohio Public Employees Retirement System		1,359,857	0	1,359,857	0	0
Capital Loans Payable from Direct Borrowings						
		1,774,368	0	35,800	1,738,568	18,300
Leases Payable		6,164,292	129,576	374,969	5,918,899	374,654
Compensated Absences Payable		10,035,378	0	367,423	9,667,955	3,654,505
Total Governmental Activities		<u>\$86,807,293</u>	<u>\$286,580</u>	<u>\$10,415,107</u>	<u>\$76,678,766</u>	<u>\$4,427,258</u>

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

Note 19 - Long-Term Obligations (continued)

	Interest Rate	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year
Business-Type Activity						
OWDA Loans from Direct Borrowings						
American II						
(Original Amount \$9,311,017)	1.00%	\$2,504,685	\$0	\$490,993	\$2,013,692	\$495,916
Bath SSO						
(Original Amount \$636,518)	1.00	204,457	0	33,232	171,225	33,565
Ottawa River Sewer Inceptor						
(Original Amount \$3,318,241)	3.65	2,115,400	0	159,448	1,955,952	165,321
Shawnee II WWTP, Pump Station						
(Original Amount \$12,725,369)	3.45-3.95	8,379,629	0	601,849	7,777,780	623,364
Shawnee II Phase II POTW Improvements						
(Original Amount \$4,641,722)	2.8-3.26	0	4,641,722	0	4,641,722	0
Total OWDA Loans		13,204,171	4,641,722	1,285,522	16,560,371	1,318,166
Net Pension Liability						
Ohio Public Employees Retirement System						
		2,445,420	461,224	0	2,906,644	0
Net OPEB Liability						
Ohio Public Employees Retirement System						
		51,639	0	51,639	0	0
Financed Purchases Payable		78,090	0	78,090	0	0
Leases Payable		0	19,844	3,005	16,839	6,359
Compensated Absences Payable		760,469	0	41,849	718,620	310,780
Total Business-Type Activities		<u>\$16,539,789</u>	<u>\$5,122,790</u>	<u>\$1,460,105</u>	<u>\$20,202,474</u>	<u>\$1,635,305</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 and Sewer Projects capital projects fund.

For the OPWC loans, \$157,004 of the outstanding balance was for items that were not capitalized.

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

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 \$1,074,050, principal and interest remaining to be paid on the OWDA loans is \$1,599,749 and \$62,110, 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 \$16,560,371 and \$2,052,176, respectively. Principal and interest paid in the Sewer enterprise fund for the current year were \$1,397,410 and \$393,364, respectively. Total net revenues for the Sewer enterprise fund were \$3,381,948. The OWDA loans are payable through 2035.

Capital Loans Payable

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.

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

Note 19 - Long-Term Obligations (continued)

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.

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, the Marimor Permanent Improvement capital projects fund and Sewer enterprise fund.

A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Governmental Activities		Business Type Activity	
	Principal	Interest	Principal	Interest
2025	\$374,654	\$60,351	\$6,359	\$1,053
2026	339,851	51,787	6,855	557
2027	324,026	44,437	3,625	80
2028	303,386	38,742	0	0
2029	275,908	35,079	0	0
2030-2034	1,377,961	142,039	0	0
2035-2039	1,432,959	87,041	0	0
2040-2044	1,490,154	29,846	0	0
	<u>\$5,918,899</u>	<u>\$489,322</u>	<u>\$16,839</u>	<u>\$1,690</u>

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

Note 19 - Long-Term Obligations (continued)

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, 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.

The County’s legal debt margin was \$55,278,598 and an unvoted debt margin of \$19,528,061.

The Slabtown-Bluelick Roads low pressure project and Shawnee II Phase II POTW Improvement funded by OPWC and OWDA have not been completed. Amortization schedules for the repayment of these loans will not be available until the projects are completed and, therefore, are not included in the following schedules.

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

Year	OPWC Loans		OWDA Loans		Capital Loans	
	From Direct Borrowings		From Direct Borrowings		From Direct Borrowings	
	Principal		Principal	Interest	Principal	Interest
2025	\$71,216		\$308,583	\$15,442	\$18,300	\$18,072
2026	142,430		250,033	12,375	37,000	35,557
2027	92,647		252,903	9,506	37,800	34,763
2028	85,887		223,482	6,810	38,700	33,950
2029	85,886		190,369	5,149	39,500	33,119
2030-2034	231,876		374,379	12,828	210,500	152,460
2035-2039	150,604		0	0	234,200	128,670
2040-2044	56,500		0	0	261,100	102,040
2045-2049	0		0	0	290,600	72,207
2050-2054	0		0	0	270,068	39,757
2055-2059	0		0	0	196,100	18,721
2060-2062	0		0	0	104,700	2,763
	<u>\$917,046</u>		<u>\$1,599,749</u>	<u>\$62,110</u>	<u>\$1,738,568</u>	<u>\$672,079</u>

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

Note 19 - Long-Term Obligations (continued)

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

	<u>OWDA Loans</u>	
	<u>From Direct Borrowings</u>	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$1,318,166	\$360,721
2026	1,351,849	327,037
2027	1,386,609	292,277
2028	1,422,484	256,402
2029	943,409	220,661
2030-2034	5,057,090	587,291
2035	439,042	7,787
	<u>\$11,918,649</u>	<u>\$2,052,176</u>

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, 2024 the bonds have an aggregate outstanding principal amount payable of \$2,157,405,000.

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 \$180,796 and \$6,918 for pension and OPEB, respectively.

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

Note 20 - Internal Balances and Transfers (continued)

During 2024, the General Fund made transfers to the Job and Family Services special revenue fund and to other governmental funds in the amount of \$344,475 and \$1,005,345, respectively, to subsidize operations in those funds. Other governmental funds made transfers to other governmental funds, in the amount of \$78,315; \$43,134 for construction costs and \$35,181 to make debt payments when due. The Sewer enterprise fund made transfers to the other governmental funds, in the amount of \$184,402 to make debt payments when due.

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	Developmental Disabilities
Nonspendable for:				
Interfund Loans	\$1,374,755	\$0	\$0	\$0
Prepaid Items	348,691	21,496	42,047	33,263
Materials and Supplies				
Inventory	60,187	577,243	16,768	33,353
Unclaimed Monies	386,520	0	0	0
Total Nonspendable	2,170,153	598,739	58,815	66,616
Restricted for:				
Developmental Disabilities				
Operations	0	0	0	13,151,655
Job and Family Services				
Operations	0	0	2,538,198	0
Road and Bridge Repair/ Improvement				
	0	4,871,344	0	0
Total Restricted	0	4,871,344	2,538,198	13,151,655
Committed to:				
Future Severance				
Payments	2,036,192	0	0	0

(continued)

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

Note 21 - Fund Balance (continued)

Fund Balance	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Developmental Disabilities
Assigned for:				
Airport	\$1,523	\$0	\$0	\$0
Clerk of Courts	232,611	0	0	0
Construction	27,414	0	0	0
Drug Court	23,690	0	0	0
Economic Development	726,370	0	0	0
Probate Court	10,145	0	0	0
Projected Budget Shortage	4,228,070	0	0	0
Recorder Equipment	71,923	0	0	0
Title Administration	1,527,775	0	0	0
Unpaid Obligations	71,275	0	0	0
Total Assigned	<u>6,920,796</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	<u>25,662,624</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u><u>\$36,789,765</u></u>	<u><u>\$5,470,083</u></u>	<u><u>\$2,597,013</u></u>	<u><u>\$13,218,271</u></u>

Fund Balance	American Rescue Plan	Other Governmental Funds
Nonspendable for:		
Prepaid Items	\$0	\$667,529
Materials and Supplies		
Inventory	<u>0</u>	<u>4,263</u>
Total Nonspendable	<u>0</u>	<u>671,792</u>
Restricted for:		
Board of Elections	0	10,712
Child Support Enforcement	0	484,658
Childrens Services	0	5,661,730
Court Operations	0	3,333,375
Crime Victim Assistance	0	1,120
Debt Retirement	0	5,025,636
Delinquent Tax Collection	0	161,639
Ditch Maintenance	0	2,445,663
Dog and Kennel Operations	0	454,379

(continued)

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

Note 21 - Fund Balance (continued)

Fund Balance	American Rescue Plan	Other Governmental Funds
Restricted for (continued):		
Economic Development and Rehabilitation	\$0	\$1,091,717
Economic Recovery	1,488,774	6,932
Emergency Management Agency	0	218,678
Family Counseling	0	6,166
Foreign Trade Zone	0	3,258
Law Library	0	592,560
Opioid Settlement	0	530,376
Permanent Improvements	0	20,440,509
Real Estate Assessments	0	2,590,863
Sheriff Operations	0	1,237,052
Tax Abatement	0	11,578
Total Restricted	1,488,774	44,308,601
Committed for:		
Permanent Improvements	0	1,623,593
Assigned for:		
Permanent Improvements	0	4,813
Unassigned (Deficit)	0	(1,187,784)
Total Fund Balance	\$1,488,774	\$45,421,015

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, 2024, was \$5,499,999.

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.

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

Note 22 - Joint Ventures (continued)

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, 2024, 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.

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 2024, 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, 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 Joint 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 Joint 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.

Note 23 - Jointly Governed Organizations (continued)

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.

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

Note 24 - Insurance Pools (continued)

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 of Allen County consists of the number of directors it deems necessary and they are appointed by the Allen County Commissioners. Currently, six directors serve on the board. 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.

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 2024, this allocation was \$61,784.

Note 25 - Related Organizations (continued)

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 Board of Trustees; five voting members are appointed by the County Commissioners. The County Engineer is a voting member. One non-voting member is appointed at the discretion of the speaker of the House of Representatives. 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.

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, 2024, the carrying amount of deposits was \$167,074. 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 \$77,955, and mutual funds, in the amount of \$11,529. There are no significant statutory restrictions regarding the deposit and investment of funds by the not-for-profit corporation.

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

Note 26 - LODDI (continued)

C. Capital Assets

LODDI had capital assets of land and buildings, in the amount of \$209,854 and \$2,404,488, respectively, as of December 31, 2024. Accumulated depreciation was \$793,357, with a net capital asset amount of \$1,611,131. 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, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year
Mortgage Notes Payable	5.625%	\$104,114	\$0	\$7,907	\$96,207	\$8,505

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.

B. Deposits and Investments

At December 31, 2024, the carrying amount of deposits was \$851,724. 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 \$33,832 as of December 31, 2024. 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.

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

Note 27 - Allen County Land Reutilization Corporation (continued)

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, 2024. Accumulated depreciation was \$3,536, with a net capital asset amount of \$10,371. Depreciation is computed using straight line method over a useful life of five years.

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.

B. Federal and State Grants

For the period January 1, 2024, to December 31, 2024, 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 - Subsequent Event

On September 5, 2025, the County issued special assessment bonds, in the amount of \$162,000, for ditch improvements. The bonds have an interest rate of 4.25 percent and mature on September 1, 2030.

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

	2024	2023	2022	2021
County's Proportion of the Net Pension Liability	0.22759838%	0.22627408%	0.23063376%	0.24443244%
County's Proportionate Share of the Net Pension Liability	\$59,586,189	\$66,841,464	\$20,066,072	\$36,195,127
County's Covered Payroll	\$36,395,217	\$34,422,179	\$32,794,249	\$33,297,133
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	163.72%	194.18%	61.19%	108.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%

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

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
0.23154936%	0.24113735%	0.24392450%	0.25652166%	0.26640800%	0.27637600%
\$45,767,306	\$66,042,633	\$38,267,025	\$58,180,708	\$46,145,222	\$33,334,034
\$31,883,423	\$31,580,022	\$31,488,073	\$31,433,836	\$33,225,588	\$32,790,592
143.55%	209.13%	121.53%	185.09%	138.88%	101.66%
82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

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 Seven Years (1)

	2024	2023	2022	2021
County's Proportion of the Net Pension Asset	0.28073930%	0.26872220%	0.25653640%	0.24451308%
County's Proportionate Share of the Net Pension Asset	\$862,944	\$633,353	\$1,010,768	\$705,823
County's Covered Payroll	\$1,289,117	\$1,256,814	\$1,177,286	\$1,083,921
County's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	66.94%	50.39%	85.86%	65.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	144.55%	137.14%	169.88%	157.67%

(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

2020	2019	2018
0.21727692%	0.20995425%	0.21070735%
\$453,077	\$234,778	\$286,843
\$978,736	\$893,036	\$873,108
46.29%	26.29%	32.85%
145.28%	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

	2024	2023	2022	2021
County's Proportion of the Net Pension Liability	0.00000000%	0.00000000%	0.00021353%	0.00145280%
County's Proportionate Share of the Net Pension Liability	\$0	\$0	\$47,469	\$185,752
County's Covered Payroll	\$0	\$0	\$27,757	\$179,264
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	171.02%	103.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	78.90%	87.80%

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

2020	2019	2018	2017	2016	2015
0.00179762%	0.00286235%	0.00329680%	0.00380363%	0.00732584%	0.00678598%
\$434,960	\$632,990	\$724,892	\$903,561	\$2,452,182	\$1,875,444
\$216,943	\$336,050	\$374,793	\$418,164	\$770,821	\$708,007
200.50%	188.36%	193.41%	216.08%	318.13%	264.89%
75.50%	77.40%	77.30%	75.30%	66.80%	72.10%

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

	2024	2023	2022	2021
County's Proportion of the Net OPEB Liability (Asset)	0.22557216%	0.22386246%	0.22760841%	0.24019128%
County's Proportionate Share of the Net OPEB Liability (Asset)	(\$2,035,841)	\$1,411,496	(\$7,129,044)	(\$4,279,197)
County's Covered Payroll	\$38,763,172	\$36,636,843	\$34,842,835	\$35,233,604
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-5.25%	3.85%	-20.46%	-12.15%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%

(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

2020	2019	2018	2017
0.22683696%	0.23593620%	0.23867150%	0.25107700%
\$31,332,077	\$30,760,511	\$25,917,968	\$25,359,630
\$33,604,384	\$33,237,483	\$33,131,281	\$33,050,769
93.24%	92.55%	78.23%	76.73%
47.80%	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 Eight Fiscal Years (1)

	2024	2023	2022	2021
County's Proportion of the Net OPEB Liability (Asset)	0.00000000%	0.00000000%	0.00021353%	0.00145280%
County's Proportionate Share of the Net OPEB Liability (Asset)	\$0	\$0	(\$5,529)	(\$30,631)
County's Covered Payroll	\$0	\$0	\$179,264	\$216,943
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	0.00%	0.00%	-3.08%	-14.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	230.70%	174.70%

(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

2020	2019	2018	2017
0.00179762%	0.00286235%	0.00329680%	0.00380363%
(\$31,593)	(\$47,408)	(\$52,977)	\$148,404
\$336,050	\$374,793	\$418,164	\$770,821
-9.40%	-12.65%	-12.67%	19.25%
182.10%	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)

	2024	2023	2022	2021
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$5,391,019	\$5,243,551	\$4,963,242	\$4,742,126
Contributions in Relation to the Contractually Required Contribution	<u>(5,391,019)</u>	<u>(5,243,551)</u>	<u>(4,963,242)</u>	<u>(4,742,126)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$37,445,648	\$36,395,217	\$34,422,179	\$32,794,249
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	\$145,361	\$154,694	\$175,954	\$164,820
Contributions in Relation to the Contractually Required Contribution	<u>(145,361)</u>	<u>(154,694)</u>	<u>(175,954)</u>	<u>(164,820)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$1,211,342	\$1,289,117	\$1,256,814	\$1,177,286
Pension Contributions as a Percentage of Covered Payroll	<u>12.00%</u>	<u>12.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability - OPEB Plan (1)				
Contractually Required Contribution	\$65,257	\$61,060	\$38,314	\$34,852
Contributions in Relation to the Contractually Required Contribution	<u>(65,257)</u>	<u>(61,060)</u>	<u>(38,314)</u>	<u>(34,852)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll (2)	\$39,911,730	\$38,763,172	\$36,636,843	\$34,842,835
OPEB Contributions as a Percentage of Covered Payroll	<u>0.16%</u>	<u>0.16%</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

2020	2019	2018	2017	2016	2015
\$4,819,305	\$4,614,086	\$4,560,770	\$4,226,933	\$3,907,021	\$4,122,098
<u>(4,819,305)</u>	<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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$33,297,133	\$31,883,423	\$31,580,022	\$31,488,073	\$31,433,836	\$33,225,588
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.42%</u>	<u>12.43%</u>	<u>12.41%</u>
\$151,749	\$137,023	\$125,025	\$113,504	\$101,842	\$106,915
<u>(151,749)</u>	<u>(137,023)</u>	<u>(125,025)</u>	<u>(113,504)</u>	<u>(101,842)</u>	<u>(106,915)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,083,921	\$978,736	\$893,036	\$873,108	\$848,683	\$890,958
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>
\$34,102	\$29,689	\$30,577	\$355,423	\$676,381	
<u>(34,102)</u>	<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>	<u>\$0</u>	
\$35,233,604	\$33,604,384	\$33,237,483	\$33,131,281	\$33,050,769	
<u>0.10%</u>	<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

	2024	2023	2022	2021
Net Pension Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$16,325
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>(16,325)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$0	\$0	\$0	\$116,607
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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$26,742	\$40,116	\$48,994	\$22,603	\$73,323	\$77,672
<u>(26,742)</u>	<u>(40,116)</u>	<u>(48,994)</u>	<u>(22,603)</u>	<u>(73,323)</u>	<u>(77,672)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$191,014	\$286,543	\$349,957	\$161,450	\$523,736	\$554,800
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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%	0.00%

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

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:	
2024	2.3 percent, simple through 2024, then 2.05 percent, simple
2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple 7.50 to 5.00 percent

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, 2024

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

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</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	Individual	Individual
	Entry Age	Entry Age	Entry Age

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

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

Changes in Assumptions - STRS Pension

Amounts reported beginning in 2022 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 prior years 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 Adjustment (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, 2024

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

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

Changes in Benefit Term - STRS Pension

For 2023 and 2024, 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 2024, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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.

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

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.

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, 2024

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal AL 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	G-2425-11-6102-01	10.561	\$287,159
Total SNAP Cluster			<u>287,159</u>
Total U.S. Department of Agriculture			<u>287,159</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			
Community Housing Impact and Preservation Program	B-C-21-1AB-1	14.228	91,493
Community Development Program	B-F-22-1AB-1	14.228	256
Community Development Program	B-F-24-1AB-1	14.228	948
CDBG Revolving Loans	N/A	14.228	1,567
Total Community Development Block Grants/State's Program and Non-Entitlement Grants In Hawaii			<u>94,264</u>
Home Investment Partnerships Program	B-C-21-1AB-2	14.239	62,451
Total Passed thru Ohio Department of Development			<u>156,715</u>
Total U.S. Department of Housing and Urban Development			<u>156,715</u>
U.S. Department of Labor			
<i>Passed through the Greater Ohio Workforce Board Inc.:</i>			
Unemployment Insurance	2020/21-7102-1	17.225	84,424
Employment Service Cluster:			
Employment Service/Wagner-Peyser Funded Activities	2020/21-7102-1	17.207	20,319
Total Employment Service Cluster			<u>20,319</u>
Trade Adjustment Assistance	2020/21-7102-1	17.245	2,353
WIOA Cluster			
WIOA Adult Program	2020/21-7102-1	17.258	600,647
WIOA Youth Activities	2020/21-7102-1	17.259	541,075
WIOA Dislocated Worker Formula Grants	2020/21-7102-1	17.278	161,637
Total WIOA Cluster			<u>1,303,359</u>
Total U.S. Department of Labor			<u>1,410,455</u>
U.S. Department of Transportation			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	PID #117252	20.205	12,870
Highway Planning and Construction	PID #117343	20.205	114,474
Highway Planning and Construction	PID #118797	20.205	24,700
Total Highway Planning and Construction			<u>152,044</u>
<i>Passed through the Ohio Department of Public Safety:</i>			
Highway Safety Cluster:			
State and Community Highway Safety	IDEP/STEP-2023-Allen County Sherriff's OF-00026	20.600	26,537
Total Highway Safety Cluster			<u>26,537</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	IDEP/STEP-2023-Allen County Sherriff's OF-00026	20.608	17,473
Total U.S. Department of Transportation			<u>196,054</u>
U.S. Department of Education			
<i>Passed through the Ohio Department of Developmental Disabilities:</i>			
Special Education - Grants for Infants and Families	H181A220024 / H181A230024	84.181	320,559
Total U.S. Department of Education			<u>320,559</u>

(continued)

Allen County, Ohio
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended December 31, 2024

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal AL Number	Expenditures
U.S. Department of Health and Human Services			
<i>Passed through the Ohio Department of Developmental Disabilities:</i>			
Elder Abuse Prevention Interventions Program	G-2425-11-6102-01	93.747	\$4,002
<i>Passed through the Ohio Department of Developmental Disabilities:</i>			
Social Services Block Grant	2401OHSOSR	93.667	68,608
<i>Passed through the Ohio Department of Job and Family Services:</i>			
Social Services Block Grant	G-2425-11-6102-01	93.667	694,807
Total Social Services Block Grant			<u>763,415</u>
<i>Passed through the Ohio Department of Job and Family Services:</i>			
MaryLee Allen Promoting Safe and Stable Families Program	G-2425-11-6104	93.556	128,605
MaryLee Allen Promoting Safe and Stable Families Program	5AU-17-C0002	93.556	31,834
Total MaryLee Allen Promoting Safe and Stable Families Program			<u>160,439</u>
Child Support Services	G-2425-11-6103	93.563	1,893,069
Stephanie Tubbs Jones Child Welfare Service Program	G-2425-11-6104	93.645	109,992
Stephanie Tubbs Jones Child Welfare Service Program	5AU-17-C0002	93.645	3,834
Total Stephanie Tubbs Jones Child Welfare Service Program			<u>113,826</u>
Foster Care Title IV-E	G-2425-11-6104	93.658	1,801,888
Adoption Assistance	G-2425-11-6104	93.659	1,043,842
Title IV-E Prevention Program	G-2425-11-6104	93.472	31,420
John H. Chafee Foster Care Program for Successful Transition to Adulthood	G-2425-11-6104	93.674	100,194
Children's Health Insurance Program	G-2425-11-6102-01	93.767	754,446
<i>CCDF Cluster:</i>			
Child Care and Development Block Grant	G-2425-11-6102-01	93.575	154,917
Total CCDF Cluster			<u>154,917</u>
<i>Temporary Assistance for Needy Families (TANF)</i>			
Temporary Assistance for Needy Families	G-2425-11-6102-01	93.558	5,479,992
Temporary Assistance for Needy Families	G-2425-11-6104	93.558	23,933
Total Temporary Assistance for Needy Families			<u>5,503,925</u>
<i>Passed through the Ohio Department of Job and Family Services:</i>			
<i>Medicaid Cluster:</i>			
Grants to States for Medicaid	G-2425-11-6102-01	93.778	1,210,848
Total Medicaid Cluster			<u>1,210,848</u>
Total U.S. Department of Health and Human Services			<u>13,536,231</u>
U.S. Department of Justice			
<i>Passed through the Ohio Department of Public Safety:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2022-JG-A01-6409	16.738	1,862
Edward Byrne Memorial Justice Assistance Grant Program	2023-JG-A01-6409	16.738	9,260
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>11,122</u>
Residual Substance Abuse Treatment for State Prisoners	2021-RS-SAT-127B	16.593	47,485
Residual Substance Abuse Treatment for State Prisoners	2022-RS-SAT-127B	16.593	22,363
Total Residential Substance Abuse Treatment for State Prisoners			<u>69,848</u>
Total U.S. Department of Justice			<u>80,970</u>
U.S. Department of Homeland Security			
<i>Passed through the Ohio Department of Public Safety:</i>			
Hazard Mitigation Grant	FEMA-DR-4507.41-R-OH	97.039	156,975
<i>Homeland Security Grant Program</i>			
Homeland Security Grant Program	EMW-2022-SS-00058	97.067	90,000
Homeland Security Grant Program	EMW-2021-SS-00004	97.067	65,993
Total Homeland Security Grant Program			<u>155,993</u>
<i>Emergency Management Performance Grants:</i>			
Emergency Management Performance Grants	EMC-2023-EP-00003	97.042	59,633
Emergency Management Performance Grants	EMC-2022-EP-00006	97.042	25,345
Total Emergency Management Performance Grants			<u>84,978</u>
Total U.S. Department of Homeland Security			<u>397,946</u>
U.S. Department of the Treasury			
<i>Passed through the Ohio Department of Job and Family Services:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	G-2425-11-6102-01	21.027	157,581
<i>Passed through the Ohio Department of Development:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	108,750
<i>Direct Assistance:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	478,276
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			<u>744,607</u>
Total U.S. Department of the Treasury			<u>744,607</u>
Total Federal Expenditures			<u>\$17,130,696</u>

N/A - pass through entity number not available

See accompanying notes are an integral part of this schedule.

ALLEN COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 2 CFR § 200.510(b)(6) FOR THE YEAR ENDED DECEMBER 31, 2024

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting, except 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 Uniform Guidance 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 person and also to lend money to eligible person to rehabilitate homes. The U.S. Department of Housing and Urban Development (HUD) grants money for these loans to the County pass 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, 2024 is \$687,427.

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)

NOTE 6 – TRANSFERS BETWEEN FEDERAL PROGRAMS

During 2024, the County made allowable transfers of \$474,217 from the Temporary Assistance for Needy Families (TANF) (AL #93.558) program to the Social Services Block Grant (SSBG) (AL #93.667) program. The amount reported for the TANF program on the Schedule excludes the amounts transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during 2024 and the amount transferred to the SSBG program.

Temporary Assistance for Needy Families	\$5,978,142
Transfer to Social Services Block Grant	<u>(474,217)</u>
Total Temporary Assistance for Needy Families	<u>\$5,503,925</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, Ohio (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 10, 2025, wherein we noted the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. 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 and 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.

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

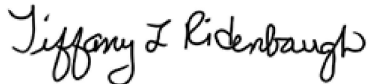
Report on Compliance and Other Matters

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

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



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

October 10, 2025

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's, (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Allen County's major federal programs for the year ended December 31, 2024. 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 Foster Care Title IV-E (AL# 93.658), Adoption Assistance (AL#93.659), 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 Foster Care Title IV-E, Adoption Assistance, and COVID-19 Coronavirus State and Local Fiscal Recovery Funds major programs for the year ended December 31, 2024.

Unmodified Opinion on Each of its 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, 2024.

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.

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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 Foster Care Title IV-E, Adoption Assistance, and COVID-19 Coronavirus State and Local Fiscal Recovery Funds

As described in findings 2024-001 and 2024-002 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
2024-001	93.658 93.659	Foster Care Title IV-E Adoption Assistance	Reporting
2024-002	21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	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

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.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2024-001 and 2024-002, to be material weaknesses.

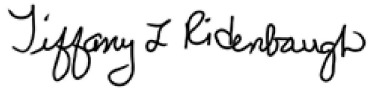
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Allen County
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
Page 4

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

KEITH FABER
Ohio Auditor of State



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

October 10, 2025

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

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified: Child Support Services (AL #93.563) Children's Health Insurance Program (AL #93.767) Medicaid Cluster (AL# 93.778) Qualified: Foster Care Title IV-E (AL #93.658) Adoption Assistance (AL #93.659) COVID-19 Coronavirus State and Local Fiscal Recovery Funds (AL #21.027)
<i>(d)(1)(vi)</i>	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):	COVID-19 Coronavirus State and Local Fiscal Recovery Funds (AL #21.027) Child Support Services (AL #93.563) Foster Care Title IV-E (AL #93.658) Adoption Assistance (AL #93.659) Children's Health Insurance Program (AL 93.767) Medicaid Cluster (AL #93.778)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 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 2024-001

Noncompliance/Material Weakness

Finding Number:	2024-001
Assistance Listing Number and Title:	AL# 93.658 Foster Care Title IV-E AL# 93.659 Adoption Assistance
Federal Award Identification Number / Year:	2024
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirement:	Reporting
Pass-Through Entity:	Ohio Department of Job and Family Services
Repeat Finding from Prior Audit?	No

45 CFR part 75 gives regulatory effect to the Department of Health and Human Services 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, this consists of the Federal Financial Report (SF-245) or such future, OMB-approved, governmentwide data elements available from the OMB-designated standards lead.

FINDING NUMBER 2024-001
(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.

Ohio Administrative Code 5101:9-7-29(C)(2)(c) states in part that the County Family Services Agency (CFSA) shall submit the completed quarterly financial statement to the Bureau of County Finance and Technical Assistance (BCFTA) no later than the tenth calendar day of the second month following the quarter the report represents for the following reporting periods: (iv) August tenth for April through June.

The County's Subgrant agreement, G-2425-11-6104, with the Ohio Department of Job and Family Services (ODJFS) also states in part that as a subrecipient of the state of Ohio, the subgrantee must utilize a financial management system that meets the requirements established by ODJFS and use the ODJFS designated software programs to report financial and other data according to the standards established by ODJFS. Subgrantee will provide to ODJFS all program and financial reports and updates in accordance with the timeliness schedules, formats and other requirements established by ODJFS.

The County submitted (4) quarterly JFS 02820 Reports; however possibly due to the failure of an existing control(s), one out of the four (twenty-five percent) Status Reports were submitted after the required due date. The reporting period of April, May, and June, which was due by August 10, was not submitted until August 15.

Failure to submit reports by the required dates could adversely affect future grant awards.

The County should monitor and implement a control system and/or additional procedures to ensure required reports are submitted in a timely manner.

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

FINDING NUMBER 2024-002

Noncompliance/Material Weakness

Finding Number:	2024-002
Assistance Listing Number and Title:	AL #21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds
Federal Award Identification Number / Year:	2024
Federal Agency:	U.S. Department of Treasury
Compliance Requirement:	Reporting
Pass-Through Entity:	Ohio Department of Development
Repeat Finding from Prior Audit?	Yes
Prior Audit Finding Number	2023-003

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.

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 four out of the four (one hundred percent) did not agree to the accounting records with differences ranging from \$104,513 to \$602,647.

The County submitted only three of the four (seventy-five percent) of the SLFRF Project and Expenditure Reports during 2024 to the Ohio Department of Development.

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.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2024

Finding Number	Finding Summary	Status	Additional Information
2023-001	AL #14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii - Reporting	Corrective Action Taken and Finding is Fully Corrected	The Department responsible has corrected the issues that caused this Finding and any outstanding issues are now resolved.
2023-002	AL #14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii – Allowable Costs/Cost Principles	Corrective Action Taken and Finding is Fully Corrected	The Finding for Recovery was Fully Paid Under Audit as a Refund from the Receiving Agency. The new Executive Director has instituted proper procedures for ensuring compliance.
2023-003	AL #21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds - Reporting	Partially Corrected	Reporting Errors for the Coronavirus State and Local Recovery Funds were discovered again. Reporting errors were unintentional and were a result of not more closely following the Compliance and Reporting Guide. Reporting has been compliant in one department, while non-compliant in another department. Education has been discussed and it is believed all departments are now aware of reporting rules for both quarterly reports and fund reporting. The Allen County Board of Commissioners are instituting a new grant application and approval process, that will specifically indicate who is required to report on grants and the frequency of those reports, so that proper monitoring will be in place.

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2024

Finding Number: 2024-001
Planned Corrective Action: This Finding is related to the Failure of a Department to timely file one quarterly status report. The employee in charge of quarterly reporting realized the omission herself in less than a week and corrected the action immediately, months before it was noticed and reported by the State Audit Team. The Director reports several calendaring mechanisms are in place and the reports are being tracked by duplicative methods since that error.

Anticipated Completion Date: 08/15/2024
Responsible Contact Person: Sarah Newland, Executive Director

Finding Number: 2024-002
Planned Corrective Action: This Finding is related to the failure to correctly report grant funds being expended and to the lack of a Department's filing one quarterly report timely related to the SLFRF Funds. The Department has been contacted and is carefully reviewing guidance for all future remaining reports. Future Reports are expected to be filed correctly and timely, with future education being sought as needed.

Anticipated Completion Date: 10/01/2025
Responsible Contact Person: Brad Neimeyer, County Sanitary Engineer

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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 11/13/2025

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

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