OHIO AUDITOR OF STATE
KEITH FABER

ALLEN COUNTY
DECEMBER 31, 2022

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Allen County
301 North Main Street
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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 aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of Allen County, Ohio (County), as of and for the year ended December 31, 2022, 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, all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of Allen County, Ohio as of December 31, 2022, 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 represents 41 percent, 38 percent, and 69 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2022, and the respective changes in financial position, thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar, as it refers 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the County reevaluated the activity of the investment trust funds. Our opinion is not modified with respect to this matter.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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 November 7, 2023, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

November 7, 2023

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, 2022. 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 21 percent; 27 percent increase for governmental activities and 4 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 2022. 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.

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.

Government-Wide Financial Analysis

Table 1 provides a summary of the County's net position for 2022 and 2021.

Table 1
Net Position

	Governmental Activities		Business-Type Activity		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	$124,816,083	$108,441,614	$10,419,484	$9,543,171	$135,235,567	$117,984,785
Net Pension Asset	962,055	672,211	48,713	33,612	1,010,768	705,823
Net OPEB Asset	6,791,002	4,106,055	343,571	203,773	7,134,573	4,309,828
Capital Assets, Net	83,869,762	79,831,256	41,297,017	43,024,613	125,166,779	122,855,869
Total Assets	216,438,902	193,051,136	52,108,785	52,805,169	268,547,687	245,856,305
Deferred Outflows of Resources						
Pension	8,886,922	6,468,762	449,173	320,339	9,336,095	6,789,101
OPEB	454,205	3,112,312	22,663	155,463	476,868	3,267,775
Total Deferred Outflows of Resources	9,341,127	9,581,074	471,836	475,802	9,812,963	10,056,876
Liabilities						
Current and Other Liabilities	23,625,515	15,096,304	225,583	434,293	23,851,098	15,530,597
Long-Term Liabilities						
Pension	19,146,499	34,657,299	967,042	1,723,580	20,113,541	36,380,879
Other Amounts	15,450,117	14,990,443	14,844,665	16,148,415	30,294,782	31,138,858
Total Liabilities	58,222,131	64,744,046	16,037,290	18,306,288	74,259,421	83,050,334
Deferred Inflows of Resources						
Pension	25,489,948	15,989,063	1,255,500	772,542	26,745,448	16,761,605
OPEB	7,227,753	12,770,921	362,861	632,036	7,590,614	13,402,957
Leases	3,119,599	3,553,356	0	0	3,119,599	3,533,356
Other Amounts	13,111,452	12,264,000	0	0	13,111,452	12,264,000
Total Deferred Inflows of Resources	48,948,752	44,557,340	1,618,361	1,404,578	50,567,113	45,961,918
Net Position						
Net Investment in Capital Assets	70,990,633	68,284,947	26,677,494	26,937,695	97,668,127	95,222,642
Restricted	53,833,385	49,760,491	44,302	0	53,877,687	49,760,491
Unrestricted (Deficit)	(6,214,872)	(24,714,614)	8,203,174	6,632,410	1,988,302	(18,082,204)
Total Net Position	$118,609,146	$93,330,824	$34,924,970	$33,570,105	$153,534,116	$126,900,929

The net pension/OPEB liability (asset) reported by the County at December 31, 2022, 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.

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

In accordance with GASB Statements No. 68 and No. 75, the County's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in the net pension liability (asset) and the net OPEB liability (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 overall increase 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 liability 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 approximately $16 million due, in part, to American Rescue Plan Act (ARPA) monies received and not spent as of year end. In addition, a number of funds have been accumulating resources in excess of activity during the year (for instance, the Building and Expansion, and Board of Commissioners Capital Improvement capital projects funds experienced lower project costs than resources for the year). The increase in current and other liabilities was primarily due to the increase in unearned revenue (for ARPA monies receive but not spent as of year end) but there was also a slight increase in accrued wages at year end due to the pay period end dates and in retainage payable related to the Gomer sewer project and school renovations for the Board of Development Disabilities. The increase in unrestricted net position was impacted by items mentioned above.

For the business-type activity, the increase in current and other assets was primarily due to an increase in cash and cash equivalents; revenues continue to exceed expenses in 2022. The decrease in current and other liabilities was due to a decrease in accounts payable (based on timing) and contracts payable (generally research and design services for phase 2 of the wastewater treatment plant project that is ongoing). The decrease in other long-term liabilities represents scheduled debt retirement.

Table 2 reflects the change in net position for 2022 and 2021.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activity		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	$14,785,169	$15,206,326	$8,088,285	$8,114,140	$22,873,454	$23,320,466
Operating Grants, Contributions, and Interest	34,480,543	33,485,636	0	0	34,480,543	33,485,636
Capital Grants and Contributions	4,516,221	4,347,554	39,933	0	4,556,154	4,347,554
Total Program Revenues	53,781,933	53,039,516	8,128,218	8,114,140	61,910,151	61,153,656
General Revenues						
Property Taxes Levied for						
General Operations	3,518,264	3,247,411	0	0	3,518,264	3,247,411
Health-Developmental Disabilities	5,403,798	5,483,959	0	0	5,403,798	5,483,959
Human Services-Children Services	2,209,587	2,236,677	0	0	2,209,587	2,236,677
Debt Service	1,599,201	1,476,088	0	0	1,599,201	1,476,088
Marimor Permanent Improvement	469,899	476,859	0	0	469,899	476,859
Permissive Sales Taxes	20,678,894	19,915,211	0	0	20,678,894	19,915,211
Grants and Entitlements	4,176,303	3,203,880	0	0	4,176,303	3,203,880
Interest	665,636	103,731	1,567	108	667,203	103,839
Other	5,593,188	4,588,844	288,761	161,441	5,881,949	4,750,285
Total General Revenues	44,314,770	40,732,660	290,328	161,549	44,605,098	40,894,209
Total Revenues	98,096,703	93,772,176	8,418,546	8,275,689	106,515,249	102,047,865
Program Expenses						
General Government						
Legislative and Executive	13,522,610	10,429,274	0	0	13,522,610	10,429,274
Judicial	9,729,486	6,296,618	0	0	9,729,486	6,296,618
Public Safety	9,465,496	5,572,065	0	0	9,465,496	5,572,065
Public Works	12,465,807	14,193,433	0	0	12,465,807	14,193,433
Health						
Developmental Disabilities	7,726,536	5,763,398	0	0	7,726,536	5,763,398
Other Health	560,646	396,736	0	0	560,646	396,736
Human Services						
Job and Family Services	9,201,974	5,019,816	0	0	9,201,974	5,019,816
Children Services	6,949,819	4,787,502	0	0	6,949,819	4,787,502
Other Human Services	2,505,451	1,587,770	0	0	2,505,451	1,587,770
Conservation and Recreation	625,995	460,217	0	0	625,995	460,217
Interest and Fiscal Charges	206,079	120,924	0	0	206,079	120,924
Sewer	0	0	6,922,163	6,593,467	6,922,163	6,593,467
Total Expenses	72,959,899	54,627,753	6,922,163	6,593,467	79,882,062	61,221,220
Increase in Net Position Before Transfers	25,136,804	39,144,423	1,496,383	1,682,222	26,633,187	40,826,645
Transfers	141,518	141,465	(141,518)	(141,465)	0	0
Increase in Net Position	25,278,322	39,285,888	1,354,865	1,540,757	26,633,187	40,826,645
Net Position Beginning of Year	93,330,824	54,044,936	33,570,105	32,029,348	126,900,929	86,074,284
Net Position End of Year	$118,609,146	$93,330,824	$34,924,970	$33,570,105	$153,534,116	$126,900,929

For governmental activities, the most significant change in program revenues was the increase in operating grants, contributions, and interest. Several factors contributed to the increase, including American Rescue Funding revenue, and the interest earned on this funding. Grant resources received for the Gomer Sewer improvement sewer project including community development grants and United States Department of Agriculture grants contributed to the increase in program revenues for capital grants. The decrease in charges for services is for lower various fees and costs and decreased special assessments revenue received during the year. The change in general revenues from the prior year is an increase in sales tax revenue and interest revenue, both previously impacted by the pandemic. The increase in expenses is due to salary and benefit increases.

For the business-type activity, there was little change in revenues. The decrease in expenses was not significant.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
General Government:				
Legislative and Executive	$13,522,610	$10,429,274	$6,677,063	$5,380,339
Judicial	9,729,486	6,296,618	2,382,329	(1,029,949)
Public Safety	9,465,496	5,572,065	7,448,179	3,629,829
Public Works	12,465,807	14,193,433	(3,293,060)	(2,604,159)
Health				
Developmental Disabilities	7,726,536	5,763,398	4,961,085	1,746,418
Other Health	560,646	396,736	(5,649)	(19,187)
Human Services				
Job and Family Services	9,201,974	5,019,816	(1,083,869)	(4,308,656)
Children Services	6,949,819	4,787,502	1,329,483	(897,873)
Other Human Services	2,505,451	1,587,770	13,997	(764,968)
Conservation and Recreation	625,995	460,217	542,329	372,251
Interest and Fiscal Charges	206,079	120,924	206,079	120,924
Total Expenses	$72,959,899	$54,627,753	$19,177,966	$1,624,429

The County's general revenues (primarily property and sales taxes and unrestricted grants and entitlements) supported 26 percent of the services provided by the County (3 percent in 2021). The net cost of services has been largely affected by the American Recovery Plan Act monies received in 2021 and their impact on expenses over the past several years. 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, 40 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 16 percent. Current year transfers to supplement other funds were lower than the previous year resulting in an increase in fund balance.

Fund balance increased approximately 15 percent for the Motor Vehicle and Gasoline Tax Fund. Revenues increased almost 13 percent largely due to a reimbursement for prior year costs for road projects. There was a 15 percent increase in expenses due to more road improvement work in 2022.

Fund balance increased 22 percent in the Job and Family Services Fund. There were increases in both revenues and expenditures.

The decrease in fund balance in the Developmental Disabilities Fund was not significant (3 percent).

The American Rescue Plan Fund records the pandemic recovery resources received from the federal government. The County received an additional $9.9 million in 2022 (the same amount from 2021), most of which remained unspent as of year end. The increase in fund balance is primarily for interest earnings.

Business-Type Activities Financial Analysis

Revenues were very similar to the prior year in the Sewer Fund; however, there was an increase in personal services expenses due to pension/OPEB expense. Net position increased 4 percent.

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, fines and forfeitures, and intergovernmental 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, 2022, was $70,990,633 and $26,677,494, respectively (net of accumulated depreciation and related debt). The primary additions for governmental activities included paving, jail elevator improvements, Justice center building improvements, a new County wide telephone system, a number of vehicles, miscellaneous equipment, and various road and bridge improvements. Disposals included a land, telephone system, a number of vehicles, and miscellaneous equipment.

For the business-type activity, additions included pumps and miscellaneous equipment. Disposals included miscellaneous equipment and a vehicle.

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

Debt - At December 31, 2022, the County had $202,263 in special assessment bonds, $1,220,770 in OPWC loans, and $2,207,812 in OWDA loans payable from governmental activities. The business-type activity had $14,458,055 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 remained fairly consistent in 2022, with a rate of 3.6 percent in December 2022. That's only slightly up from 3.4 percent in 2021.

The unemployment rate was 4.8 percent in December 2020, 3.8 percent in December 2019, and 4.7 percent in December 2018. Financially, unemployment fraud from outside attackers has continued to plague Allen County as it has with numerous other counties across the State. Many 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.

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.

In 2019, the County Commissioners began to plan capital projects aimed at courthouse renovations. However, due to the pandemic and the resulting loss of casino dollars that help fund our available capital dollars, the projects were placed on hold. Capital projects are back into planning stages mainly due to ARPA Funds received by the County. New construction is planned within the next few months and years. The County is building a new Veterans Administration Garage, with an architect being named a short time ago. A new County Administration Building is planned, with an Architectural Contract recently awarded there as well. In addition, a new Child Support Enforcement Agency building is also being planned and has also been awarded to an Architect. Once a new County Administration Building is constructed and current tenants moved 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.

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 Discreteley Presented Component Units
December 31, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activity	Total	LODDI	Land Bank
Assets					
Equity in Pooled Cash and Cash Equivalents	$85,980,158	$7,153,674	$93,133,832	$0	$0
Cash and Cash Equivalents in Segregated Accounts	246,282	0	246,282	171,319	641,560
Investments in Segregated Accounts	0	0	0	67,753	0
Accounts Receivable	53,292	3,082,180	3,135,472	2,063	0
Accrued Interest Receivable	113,272	0	113,272	0	0
Permissive Sales Taxes Receivable	5,439,566	0	5,439,566	0	0
Permissive Motor Vehicle License Taxes Receivable	102,737	0	102,737	0	0
Due from Other Governments	10,849,663	0	10,849,663	0	0
Prepaid Items	677,773	11,764	689,537	12,841	0
Materials and Supplies Inventory	637,301	52,692	689,993	0	0
Property Held for Resale	0	0	0	0	1,953,195
Internal Balances	(119,174)	119,174	0	0	0
Property Taxes Receivable	13,983,297	0	13,983,297	0	0
Notes Receivable	517,623	0	517,623	0	0
Special Assessments Receivable	3,214,694	0	3,214,694	0	0
Leases Receivable	3,119,599	0	3,119,599	0	0
Net Pension Asset	962,055	48,713	1,010,768	0	0
Net OPEB Asset	6,791,002	343,571	7,134,573	0	0
Nondepreciable Capital Assets	7,178,567	1,276,342	8,454,909	164,146	0
Depreciable Capital Assets, Net	76,691,195	40,020,675	116,711,870	1,361,666	7,381
Total Assets	216,438,902	52,108,785	268,547,687	1,779,788	2,602,136
Deferred Outflows of Resources					
Pension	8,886,922	449,173	9,336,095	0	0
OPEB	454,205	22,663	476,868	0	0
Total Deferred Outflows of Resources	9,341,127	471,836	9,812,963	0	0
Liabilities					
Accrued Wages Payable	1,658,757	86,275	1,745,032	0	0
Accounts Payable	776,778	60,445	837,223	115,331	0
Contracts Payable	861,824	55,403	917,227	0	0
Due to Other Governments	562,720	23,460	586,180	0	0
Unearned Revenue	19,582,776	0	19,582,776	0	0
Retainage Payable	158,213	0	158,213	0	0
Accrued Interest Payable	24,447	0	24,447	0	0
Notes Payable	0	0	0	7,950	150,000
Long-Term Liabilities:					
Due Within One Year	2,632,111	1,464,154	4,096,265	0	0
Due in More Than One Year	12,818,006	13,380,511	26,198,517	180,575	0
Net Pension Liability	19,146,499	967,042	20,113,541	0	0
Total Liabilities	58,222,131	16,037,290	74,259,421	303,856	150,000
Deferred Inflows of Resources					
Property Taxes	13,111,452	0	13,111,452	0	0
Leases	3,119,599	0	3,119,599	0	0
Pension	25,489,948	1,255,500	26,745,448	0	0
OPEB	7,227,753	362,861	7,590,614	0	0
Total Deferred Inflows of Resources	48,948,752	1,618,361	50,567,113	0	0

(continued)

Allen County, Ohio
Statement of Net Position
Primary Government and Discreteley Presented Component Units
December 31, 2022
(continued)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activity	Total	LODDI	Land Bank
Net Position					
Net Investment in Capital Assets	$70,990,633	$26,677,494	$97,668,127	$1,525,812	$7,381
Restricted for:					
Debt Service	2,396,087	0	2,396,087	0	0
Capital Projects	8,847,858	0	8,847,858	0	0
Public Works	7,179,875	0	7,179,875	0	0
Developmental Disabilities	2,675,959	0	2,675,959	0	0
Job and Family Services	12,478,258	0	12,478,258	0	0
Children Services	5,888,924	0	5,888,924	0	0
Real Estate Assessment	2,446,839	0	2,446,839	0	0
Felony Care and Subsidy	997,399	0	997,399	0	0
Revolving Loan	992,459	0	992,459	0	0
Ditch Maintenance	2,978,016	0	2,978,016	0	0
Other Purposes	6,112,261	0	6,112,261	0	0
Pension and OPEB Plans	839,450	44,302	883,752	0	0
Unrestricted (Deficit)	(6,214,872)	8,203,174	1,988,302	(49,880)	2,444,755
Total Net Position	$118,609,146	$34,924,970	$153,534,116	$1,475,932	$2,452,136

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, 2022

		Program Revenues		
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	$13,522,610	$5,498,207	$1,347,340	$0
Judicial	9,729,486	2,502,260	4,844,897	0
Public Safety	9,465,496	857,229	1,160,088	0
Public Works	12,465,807	4,751,585	6,491,061	4,516,221
Health				
Developmental Disabilities	7,726,536	79,913	2,685,538	0
Other Health	560,646	525,365	40,930	0
Human Services				
Job and Family Services	9,201,974	105	10,285,738	0
Children Services	6,949,819	33,173	5,587,163	0
Other Human Services	2,505,451	453,666	2,037,788	0
Conservation and Recreation	625,995	83,666	0	0
Interest and Fiscal Charges	206,079	0	0	0
Total Governmental Activities	72,959,899	14,785,169	34,480,543	4,516,221
Business-Type Activity				
Sewer	6,922,163	8,088,285	0	39,933
Total Primary Government	$79,882,062	$22,873,454	$34,480,543	$4,556,154
Component Unit				
LODDI	230,084	152,320	237,185	0
Land Bank	371,799	0	0	0
	$601,883	$152,320	$237,185	$0

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 - Restated (Note 3)

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
($6,677,063)	$0	($6,677,063)	$0	$0
(2,382,329)	0	(2,382,329)	0	0
(7,448,179)	0	(7,448,179)	0	0
3,293,060	0	3,293,060	0	0
(4,961,085)	0	(4,961,085)	0	0
5,649	0	5,649	0	0
1,083,869	0	1,083,869	0	0
(1,329,483)	0	(1,329,483)	0	0
(13,997)	0	(13,997)	0	0
(542,329)	0	(542,329)	0	0
(206,079)	0	(206,079)	0	0
(19,177,966)	0	(19,177,966)	0	0
0	1,206,055	1,206,055	0	0
(19,177,966)	1,206,055	(17,971,911)	0	0
0	0	0	159,421	0
0	0	0	0	(371,799)
0	0	0	159,421	(371,799)
3,518,264	0	3,518,264	0	0
5,403,798	0	5,403,798	0	0
2,209,587	0	2,209,587	0	0
1,599,201	0	1,599,201	0	0
469,899	0	469,899	0	0
20,678,894	0	20,678,894	0	0
4,176,303	0	4,176,303	0	160,714
665,636	1,567	667,203	(10,322)	0
5,593,188	288,761	5,881,949	21,075	19,575
44,314,770	290,328	44,605,098	10,753	180,289
141,518	(141,518)	0	0	0
44,456,288	148,810	44,605,098	10,753	180,289
25,278,322	1,354,865	26,633,187	170,174	(191,510)
93,330,824	33,570,105	126,900,929	1,305,758	2,643,646
$118,609,146	$34,924,970	$153,534,116	$1,475,932	$2,452,136

Allen County, Ohio
Balance Sheet
Governmental Funds
December 31, 2022

	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Developmental Disabilities
Assets				
Equity in Pooled Cash and Cash Equivalents	$21,182,459	$3,661,332	$2,220,913	$12,333,224
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Accounts Receivable	1,256	676	0	39,052
Accrued Interest Receivable	113,272	0	0	0
Permissive Sales Taxes Receivable	5,266,259	0	0	0
Permissive Motor Vehicle License Taxes Receivable	0	102,737	0	0
Due from Other Governments	1,238,605	3,164,894	1,333,583	484,151
Prepaid Items	295,810	272,297	34,221	28,200
Materials and Supplies Inventory	54,767	523,655	11,289	43,849
Interfund Receivable	2,411,750	2,354	175,306	2,613
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	301,245	0	0	0
Property Taxes Receivable	3,239,503	0	0	6,198,407
Lease Receivable	3,119,599	0	0	0
Notes Receivable	199,399	0	0	0
Special Assessments Receivable	0	0	0	0
Total Assets	$37,423,924	$7,727,945	$3,775,312	$19,129,496
Liabilities				
Accrued Wages Payable	$694,351	$136,030	$237,455	$215,657
Accounts Payable	155,377	73,505	164,893	63,749
Contracts Payable	0	0	0	0
Due to Other Governments	258,170	39,684	102,859	60,485
Unearned Revenue	0	0	0	0
Interfund Payable	5,725	18,797	288,858	28,200
Retainage Payable	0	0	0	0
Total Liabilities	1,113,623	268,016	794,065	368,091
Deferred Inflows of Resources				
Property Taxes Receivable	3,045,105	0	0	5,791,939
Unavailable Revenue	4,952,469	2,609,908	961,932	837,394
Lease	3,119,599	0	0	0
Total Deferred Inflows of Resources	11,117,173	2,609,908	961,932	6,629,333
Fund Balance				
Nonspendable	1,798,832	795,952	45,510	72,049
Restricted	0	4,054,069	1,973,805	12,060,023
Committed	9,577	0	0	0
Assigned	11,331,392	0	0	0
Unassigned (Deficit)	12,053,327	0	0	0
Total Fund Balance	25,193,128	4,850,021	2,019,315	12,132,072
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$37,423,924	$7,727,945	$3,775,312	$19,129,496

See Accompanying Notes to the Basic Financial Statements

American Rescue Plan	Other Governmental	Total
$19,906,560	$26,374,425	$85,678,913
0	246,282	246,282
0	12,308	53,292
0	0	113,272
0	173,307	5,439,566
0	0	102,737
0	4,628,430	10,849,663
0	47,245	677,773
0	3,741	637,301
0	486,234	3,078,257
0	0	301,245
0	4,545,387	13,983,297
0	0	3,119,599
0	318,224	517,623
0	3,214,694	3,214,694
$19,906,560	$40,050,277	$128,013,514
$1,057	$374,207	$1,658,757
0	319,254	776,778
0	861,824	861,824
148	101,374	562,720
19,582,776	0	19,582,776
0	2,855,851	3,197,431
0	158,213	158,213
19,583,981	4,670,723	26,798,499
0	4,274,408	13,111,452
0	6,976,001	16,337,704
0	0	3,119,599
0	11,250,409	32,568,755
0	50,986	2,763,329
322,579	24,505,081	42,915,557
0	1,398,725	1,408,302
0	4,813	11,336,205
0	(1,830,460)	10,222,867
322,579	24,129,145	68,646,260
$19,906,560	$40,050,277	$128,013,514

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Allen County, Ohio
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2022

Total Governmental Fund Balance		$68,646,260
Amounts reported for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		83,869,762
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	34,541	
Accrued Interest Receivable	66,323	
Permissive Sales Taxes Receivable	3,760,047	
Due from Other Governments	8,339,452	
Interfund Receivable	50,802	
Deliquent Property Taxes Receivable	871,845	
Special Assessments Receivable	3,214,694	
		16,337,704
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Special Assessment Bonds Payable	(202,263)	
OPWC Loans Payable	(1,220,770)	
OWDA Loans Payable	(2,207,812)	
Capital Loans Payable	(1,955,630)	
Leases Payable	(6,306,582)	
Compensated Absences Payable	(3,557,060)	
		(15,450,117)
Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due.		(24,447)
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	962,055	
Net OPEB Asset	6,791,002	
Deferred Outflows - Pension	8,886,922	
Deferred Inflows - Pension	(25,489,948)	
Net Pension Liability	(19,146,499)	
Deferred Outflows - OPEB	454,205	
Deferred Inflows - OPEB	(7,227,753)	
		(34,770,016)
Net Position of Governmental Activities		$118,609,146

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, 2022

	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Developmental Disabilities
Revenues				
Property Taxes	$3,650,058	$0	$0	$5,679,368
Permissive Sales Taxes	19,784,327	0	0	0
Permissive Motor Vehicle License Taxes	0	1,213,891	0	0
Charges for Services	5,678,806	877,923	105	80,048
Licenses and Permits	7,579	19,925	0	0
Fines, Forfeitures, and Settlements	377,473	164,365	0	0
Intergovernmental	3,795,814	8,509,907	10,096,433	2,705,063
Special Assessments	0	0	0	0
Lease	413,757	0	0	0
Investment Earnings and Other Interest	615,991	45,935	0	808
Gifts and Donations	0	0	0	0
Other	848,747	1,355,579	1,055,288	1,235,519
Total Revenues	35,172,552	12,187,525	11,151,826	9,700,806
Expenditures				
Current:				
General Government:				
Legislative and Executive	11,308,780	0	0	0
Judicial	7,968,084	0	0	0
Public Safety	10,286,633	0	0	0
Public Works	57,600	11,148,370	0	0
Health	247,964	0	0	9,281,173
Human Services	503,617	0	10,838,804	0
Conservation and Recreation	485,742	0	0	0
Other	52,175	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	299,990	254,828	0
Interest and Fiscal Charges	0	9,206	49,172	0
Total Expenditures	30,910,595	11,457,566	11,142,804	9,281,173
Excess of Revenues Over Expenditures	4,261,957	729,959	9,022	419,633
Other Financing Sources (Uses)				
Capital Loans Issued	0	0	0	0
Inception of Lease	0	0	0	0
Transfers In	4,740	0	358,177	0
Transfers Out	(800,080)	(105,308)	0	(800,000)
Total Other Financing Sources (Uses)	(795,340)	(105,308)	358,177	(800,000)
Changes in Fund Balance	3,466,617	624,651	367,199	(380,367)
Fund Balance Beginning of Year	21,726,511	4,225,370	1,652,116	12,512,439
Fund Balance End of Year	$25,193,128	$4,850,021	$2,019,315	$12,132,072

See Accompanying Notes to the Basic Financial Statements

American Rescue Plan	Other Governmental	Total
$0	$4,462,400	$13,791,826
0	693,226	20,477,553
0	0	1,213,891
0	3,572,134	10,209,016
0	554,515	582,019
0	87,115	628,953
297,706	17,498,709	42,903,632
0	1,843,283	1,843,283
0	0	413,757
318,529	7,743	989,006
0	41,800	41,800
0	1,314,662	5,809,795
616,235	30,075,587	98,904,531
184,300	2,397,651	13,890,731
4,809	3,884,492	11,857,385
0	2,160,277	12,446,910
0	2,164,027	13,369,997
40,930	543,280	10,113,347
67,667	10,647,779	22,057,867
0	0	485,742
0	3,000	55,175
0	6,665,418	6,665,418
0	477,006	1,031,824
0	139,697	198,075
297,706	29,082,627	92,172,471
318,529	992,960	6,732,060
0	1,200,000	1,200,000
0	162,901	162,901
0	3,261,145	3,624,062
0	(1,777,156)	(3,482,544)
0	2,846,890	1,504,419
318,529	3,839,850	8,236,479
4,050	20,289,295	60,409,781
$322,579	$24,129,145	$68,646,260

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, 2022

Changes in Fund Balance - Total Governmental Funds		$8,236,479
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current year.		
Capital Outlay - Nondepreciable Capital Assets	3,739,385	
Capital Outlay - Depreciable Capital Assets	6,135,022	
Depreciation/Amortization	(5,374,951)	
		4,499,456
The cost of capital assets is removed from the capital asset account on the statement of net position when disposed of resulting in a loss on disposal of capital assets on the statement of activities.		(460,950)
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Deliquent Property Taxes	(591,077)	
Permissive Sales Taxes	201,341	
Charges for Services	14,912	
Licenses and Permits	(100)	
Intergovernmental	(145,380)	
Special Assessments	(120,562)	
Investment Earnings and Other Interest	49,645	
Other	(216,607)	
		(807,828)
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	95,000	
OPWC Loans Payable	151,862	
OWDA Loans Payable	299,663	
Capital Loans Payable	161,028	
Leases Payable	324,271	
		1,031,824
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.		(162,901)
Debt proceeds are other financing sources in the governmental funds but the issuance increases long-term liabilities on the statement of net position.		
Capital Loans		(1,200,000)
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	(17,088)	
Amortization of Premium	9,084	
		(8,004)

(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, 2022
(continued)

Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		($137,681)
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	3,826,395	
OPEB Expense	5,533,540	
		9,359,935
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	4,891,524	
Contractually Required Contributions - OPEB	36,468	
		4,927,992
Change in Net Position of Governmental Activities		$25,278,322

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, 2022

	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
Revenues				
Property Taxes	$3,030,750	$3,030,750	$3,680,874	$650,124
Permissive Sales Taxes	16,250,000	16,250,000	19,776,655	3,526,655
Charges for Services	4,655,151	4,655,151	5,657,038	1,001,887
Licenses and Permits	5,910	5,910	7,579	1,669
Fines, Forfeitures, and Settlements	85,650	85,650	326,621	240,971
Intergovernmental	1,701,800	2,451,800	3,830,227	1,378,427
Interest	700,000	700,000	1,030,334	330,334
Other	1,039,093	1,043,407	1,054,406	10,999
Total Revenues	27,468,354	28,222,668	35,363,734	7,141,066
Expenditures				
Current:				
General Government:				
Legislative and Executive	11,670,136	13,376,047	11,450,576	1,925,471
Judicial	8,447,547	8,704,681	8,048,045	656,636
Public Safety	10,630,436	11,977,352	10,234,601	1,742,751
Public Works	57,600	57,600	57,600	0
Health	222,781	273,681	224,747	48,934
Human Services	681,706	681,706	501,852	179,854
Conservation and Recreation	492,606	492,606	485,381	7,225
Other	89,458	89,458	52,175	37,283
Total Expenditures	32,292,270	35,653,131	31,054,977	4,598,154
Excess of Revenues Over (Under) Expenditures	(4,823,916)	(7,430,463)	4,308,757	11,739,220
Other Financing Sources (Uses)				
Other Financing Sources	167,000	167,000	343,699	176,699
Advances In	20,000	20,000	2,520,257	2,500,257
Advances Out	(50,000)	(50,000)	(1,858,150)	(1,808,150)
Transfers In	4,740	4,740	4,740	0
Transfers Out	(800,080)	(800,080)	(800,080)	0
Total Other Financing Sources (Uses)	(658,340)	(658,340)	210,466	868,806
Changes in Fund Balance	(5,482,256)	(8,088,803)	4,519,223	12,608,026
Fund Balance Beginning of Year	16,250,532	16,250,532	16,250,532	0
Prior Year Encumbrances Appropriated	240,564	240,564	240,564	0
Fund Balance End of Year	$11,008,840	$8,402,293	$21,010,319	$12,608,026

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, 2022

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Permissive Motor Vehicle License Taxes	$1,200,000	$1,200,000	$1,210,460	$10,460
Charges for Services	790,000	790,000	952,753	162,753
Licenses and Permits	10,000	10,000	19,400	9,400
Fines, Forfeitures, and Settlements	180,000	180,000	164,369	(15,631)
Intergovernmental	6,400,000	8,664,029	8,574,291	(89,738)
Interest	3,000	3,000	36,529	33,529
Total Revenues	8,583,000	10,847,029	10,957,802	110,773
Expenditures				
Current:				
Public Works	9,646,530	14,143,279	12,586,117	1,557,162
Debt Service:				
Principal Retirement	309,334	300,128	299,990	138
Interest	9,206	9,206	9,206	0
Total Expenditures	9,965,070	14,452,613	12,895,313	1,557,300
Excess of Revenues Under Expenditures	(1,382,070)	(3,605,584)	(1,937,511)	1,668,073
Other Financing Sources (Uses)				
Other Financing Sources	1,389,339	1,310,939	1,353,764	42,825
Transfers Out	0	(105,308)	(105,308)	0
Total Other Financing Sources (Uses)	1,389,339	1,205,631	1,248,456	42,825
Changes in Fund Balance	7,269	(2,399,953)	(689,055)	1,710,898
Fund Balance Beginning of Year	1,836,413	1,836,413	1,836,413	0
Prior Year Encumbrances Appropriated	1,250,489	1,250,489	1,250,489	0
Fund Balance End of Year	$3,094,171	$686,949	$2,397,847	$1,710,898

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, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues				
Charges for Services	$500	$500	$105	($395)
Intergovernmental	9,437,300	9,437,300	9,977,775	540,475
Total Revenues	9,437,800	9,437,800	9,977,880	540,080
Expenditures				
Current:				
Human Services	11,450,738	12,529,362	11,682,180	847,182
Excess of Revenues Under Expenditures	(2,012,938)	(3,091,562)	(1,704,300)	1,387,262
Other Financing Sources				
Other Financing Sources	1,184,000	1,184,000	782,129	(401,871)
Transfers In	358,177	358,177	358,177	0
Total Other Financing Sources	1,542,177	1,542,177	1,140,306	(401,871)
Changes in Fund Balance	(470,761)	(1,549,385)	(563,994)	985,391
Fund Balance Beginning of Year	1,376,300	1,376,300	1,376,300	0
Prior Year Encumbrances Appropriated	486,738	486,738	486,738	0
Fund Balance End of Year	$1,392,277	$313,653	$1,299,044	$985,391

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, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues				
Property Taxes	$5,061,040	$5,061,040	$5,743,801	$682,761
Charges for Services	48,000	48,000	80,127	32,127
Intergovernmental	3,117,878	3,117,878	2,651,808	(466,070)
Interest	50	50	635	585
Other	87,000	87,000	109,350	22,350
Total Revenues	8,313,968	8,313,968	8,585,721	271,753
Expenditures				
Current:				
Health	9,697,276	10,169,023	9,374,057	794,966
Excess of Revenues Under Expenditures	(1,383,308)	(1,855,055)	(788,336)	1,066,719
Other Financing Sources (Uses)				
Other Financing Sources	1,015,941	1,015,941	1,119,616	103,675
Transfers Out	(600,000)	(800,000)	(800,000)	0
Total Other Financing Sources (Uses)	415,941	215,941	319,616	103,675
Changes in Fund Balance	(967,367)	(1,639,114)	(468,720)	1,170,394
Fund Balance Beginning of Year	12,531,897	12,531,897	12,531,897	0
Fund Balance End of Year	$11,564,530	$10,892,783	$12,063,177	$1,170,394

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, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues				
Intergovernmental	$0	$19,880,482	$9,940,241	($9,940,241)
Interest	0	0	248,719	248,719
Total Revenues	0	19,880,482	10,188,960	(9,691,522)
Expenditures				
General Government:				
Legislative and Executive	0	6,887,799	422,650	6,465,149
Judicial	0	4,809	4,809	0
Health	0	40,930	40,930	0
Human Services	0	66,462	66,462	0
Total Expenditures	0	7,000,000	534,851	6,465,149
Changes in Fund Balance	0	12,880,482	9,654,109	(3,226,373)
Fund Balance Beginning of Year	9,943,531	9,943,531	9,943,531	0
Fund Balance End of Year	$9,943,531	$22,824,013	$19,597,640	($3,226,373)

See Accompanying Notes to the Basic Financial Statements

Allen County, Ohio
Statement of Fund Net Position
Enterprise Fund
December 31, 2022

	Sewer
Assets	
Current Assets	
Equity in Pooled Cash and Cash Equivalents	$7,153,674
Accounts Receivable	3,082,180
Prepaid Items	11,764
Materials and Supplies Inventory	52,692
Interfund Receivable	130,938
Total Current Assets	10,431,248
Non-Current Assets	
Restricted Assets:	
Net Pension Asset	48,713
Net OPEB Asset	343,571
Nondepreciable Capital Assets	1,276,342
Depreciable Capital Assets, Net	40,020,675
Total Non-Current Assets	41,689,301
Total Assets	52,120,549
Deferred Outflows of Resources	
Pension	449,173
OPEB	22,663
Total Deferred Outflows of Resources	471,836
Liabilities	
Current Liabilities	
Accrued Wages Payable	86,275
Accounts Payable	60,445
Contracts Payable	55,403
Due to Other Governments	23,460
Interfund Payable	11,764
OWDA Loans Payable	1,253,884
Financed Purchases	75,932
Compensated Absences Payable	134,338
Total Current Liabilities	1,701,501
Non-Current Liabilities	
OWDA Loans Payable	13,204,171
Net Pension Liability	967,042
Financed Purchases	78,090
Compensated Absences Payable	98,250
Total Non-Current Liabilities	14,347,553
Total Liabilities	16,049,054
Deferred Inflows of Resources	
Pension	1,255,500
OPEB	362,861
Total Deferred Inflows of Resources	1,618,361
Net Position	
Net Investment in Capital Assets	26,677,494
Restricted for:	
Pension and OPEB Plans	44,302
Unrestricted	8,203,174
Total Net Position	$34,924,970

See Accompanying Notes to the Basic Financial Statements

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Allen County, Ohio
Statement of Revenues, Expenses,
and Change in Fund Net Position
Enterprise Fund
For the Year Ended December 31, 2022

	Sewer
Operating Revenues	
Charges for Services	$8,008,085
Licenses, Permits, and Inspections	80,200
Other	223,761
Total Operating Revenues	8,312,046
Operating Expenses	
Personal Services	1,458,730
Materials and Supplies	329,820
Contractual Services	2,455,920
Other	9,613
Depreciation	2,202,824
Total Operating Expenses	6,456,907
Operating Income	1,855,139
Non-Operating Revenues (Expenses)	
Interest Revenue	1,567
Grant	39,933
Gain on Disposal of Capital Assets	65,000
Loss on Disposal of Fixed Assets	(3,275)
Interest Expense	(461,981)
Total Non-Operating Revenues (Expenses)	(358,756)
Income before Transfers	1,496,383
Transfers Out	(141,518)
Change in Net Position	1,354,865
Net Position Beginning of Year	33,570,105
Net Position End of Year	$34,924,970

See Accompanying Notes to the Basic Financial Statements

Allen County, Ohio
Statement of Cash Flows
Enterprise Fund
For the Year Ended December 31, 2022

	Sewer
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	$8,017,245
Cash Payments for Personal Services	(2,159,691)
Cash Payments to Suppliers	(1,022,637)
Cash Payments for Contractual Services	(1,794,868)
Cash Received from Other Revenues	223,761
Cash Payments for Other Expenses	(9,613)
Net Cash Provided by Operating Activities	3,254,197
Cash Flows from Noncapital Financing Activities	
Cash Received from Advances In	228,200
Cash Payments for Advances Out	(2,010)
Net Cash Provided by Noncapital Financing Activities	226,190
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(663,815)
Principal Paid on OWDA Loans	(1,335,107)
Interest Paid on OWDA Loans	(455,668)
Principal Paid on Capital Loan	(12,900)
Interest Paid on Capital Loan	(16,730)
Financed Purchase Principal	(73,864)
Financed Purchase Interest	(6,313)
Sale of Capital Assets	80,000
Capital Grant	39,933
Net Cash Used for Capital and Related Financing Activities	(2,444,464)
Cash Flows from Investing Activities	
Interest	1,567
Net Increase in Cash and Cash Equivalents	1,037,490
Cash and Cash Equivalents Beginning of Year	6,116,184
Cash and Cash Equivalents End of Year	$7,153,674

(continued)

Allen County, Ohio
Statement of Cash Flows
Enterprise Fund
For the Year Ended December 31, 2022
(continued)

	Sewer
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$1,855,139
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	2,202,824
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(76,494)
Decrease in Prepaid Items	786
Decrease in Materials and Supplies Inventory	6,027
Decrease in Interfund Receivable	5,454
Increase in Net Pension Asset	(5,561)
Decrease in Net OPEB Asset	4,979
Increase in Accrued Wages Payable	6,214
Decrease in Accounts Payable	(81,593)
Increase in Contracts Payable	47,957
Decrease in Due to Other Governments	(10,976)
Decrease in Interfund Payable	(786)
Decrease in Compensated Absences Payable	(6,667)
Decrease in Net Pension Liability	(55,560)
Decrease in Deferred Outflows - Pension	357,485
Decrease in Deferred Inflows - Pension	(713,879)
Decrease in Deferred Outflows - OPEB	161,724
Decrease in Deferred Inflows - OPEB	(442,876)
Total Adjustments	1,399,058
Net Cash Provided by Operating Activities	$3,254,197

Non-Cash Capital Transactions

At December 31, 2021, the Sanitary Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of $177,758.

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

See Accompanying Notes to the Basic Financial Statements

Allen County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Martha Mark Private Purpose Trust	Custodial: External Investment Pool	Custodial: Other Custodial
Assets			
Equity in Pooled Cash and Cash Equivalents	$12,596	$5,217,597	$19,900,879
Cash and Cash Equivalents in Segregated Accounts	0	0	1,590,829
Due from Other Governments	0	0	5,167,393
Property Taxes Receivable	0	0	107,064,572
Special Assessments Receivable	0	0	17,673,681
Total Assets	12,596	5,217,597	151,397,354
Liabilities			
Due to Other Governments	0	0	5,290,329
Deferred Inflows of Resources			
Property Taxes	0	0	99,522,232
Net Position			
Held in Trust for the Benefit of Children	12,596	0	0
Restricted for Pool Participants	0	5,217,597	0
Restricted for Individuals, Organizations, and other Governments	0	0	46,584,793
Total Net Position	$12,596	$5,217,597	$46,584,793

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, 2022

	Custodial	
	External Investment Pool	Other Custodial
Additions		
Investment Earnings and Other Interest	$78,889	$0
Intergovernmental Amounts for Other Governments	0	38,377,690
Amounts Received as Fiscal Agent	0	41,118,575
Licenses, Permits, and Fees for Other Governments	0	25,064,020
Fines and Forfeitures for Other Governments	0	599,407
Property Tax Collections for Other Governments	0	63,906,299
Other Local Tax Collections for Other Governments	0	417,979
Special Assessments Collections for Other Governments	0	4,014,479
Sheriff Sales Collections for Others	0	1,358,074
Other	0	1,236,071
Total Additions Before Capital Transactions	78,889	176,092,594
Capital Transactions		
Amounts Invested	6,767,029	0
Amounts Distributed	(7,758,092)	0
Net Capital Transactions	(991,063)	0
Total Additions	(912,174)	176,092,594
Deductions		
Distributions to Participants	78,889	0
Distributions to the State of Ohio	0	904,937
Distributions of State Funds to Other Governments	0	39,036,314
Distributions as Fiscal Agent	0	41,354,417
Distributions to Individuals	0	741,484
Licenses, Permits, and Fees Distributions to Other Governments	0	24,646,368
Fines and Forfeitures Distributions to Other Governments	0	570,389
Property Tax Distributions to Other Governments	0	67,172,721
Other Local Tax Distributions to Other Governments	0	417,979
Special Assessments Distributions to Other Governments	0	3,147,945
Sheriff Sales Distributions to Others	0	1,290,197
Total Deductions	78,889	179,282,751
Change in Net Position	(991,063)	(3,190,157)
Net Position Beginning of Year - Restated (Note 3)	6,208,660	49,774,950
Net Position End of Year	$5,217,597	$46,584,793

See Accompanying Notes to the Basic Financial Statements

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.

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

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.

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.

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.

<u>Note 2 - Summary of Significant Accounting Policies</u> (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.

<u>Deferred Outflows/Inflows of Resources</u>

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, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner of the term of the lease. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes accrued interest, permissive sales taxes, intergovernmental revenue including grants, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 23. Deferred inflows of resources related to pension and OPEB are reported on the government-wide and enterprise fund statements of net position and explained in Notes 16 and 17 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

Expenses/Expenditures

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

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

E. Budgetary Process

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

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

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 are recorded as "Cash and Cash Equivalents in Segregated Accounts".

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".

Note 2 - Summary of Significant Accounting Policies (continued)

During 2022, 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 2022, 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 requiring the excess amount to be transacted the following business day(s) but only to the $250 million limit. All accounts of the participant will be combined for 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 2022 was $615,991, which includes $362,210 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, 2022, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Inventory

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

I. Restricted Assets

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

Note 2 - Summary of Significant Accounting Policies (continued)

J. Capital Assets

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

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

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

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

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

The County is reporting intangible right to use assets related to leased buildings and vehicles. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

K. Interfund Assets/Liabilities

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

Note 2 - Summary of Significant Accounting Policies (continued)

L. Compensated Absences

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

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Unamortized Bond Premium

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

O. Net Position

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

Note 2 - Summary of Significant Accounting Policies (continued)

P. Leases

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

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

Q. Fund Balance

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

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes the long-term portion of interfund receivables, where applicable.

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.

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 2023 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.

R. Operating Revenues and Expenses

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

S. OneOhio Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Although the settlement has been reached, certain uncertainties remain related to the measurement. As a participating subdivision, the County received the first of eighteen distributions in 2022. The distribution of $35,374 is reflected as fines, forfeitures, and settlements revenue in the OneOhio Opioid Settlement special revenue fund in the accompanying financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

T. 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.

U. Pensions/Other Postemployment Benefits (OPEB)

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

V. Estimates

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

Note 3 - Change in Accounting Principles and Restatement of Net Position

A. Changes in Accounting Principles

For 2022, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, “Leases” and related guidance from (GASB) Implementation Guide No. 2019-3, “Leases”. The County also implemented GASB Statement No. 91, “Conduit Debt Obligations”, GASB Statement No. 92, “Omnibus 2020”, GASB Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”, and Implementation Guide No. 2020-1.

Note 3 - Change in Accounting Principles and Restatement of Net Position (continued)

GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the County's 2022 financial statements. The County recognized $3,533,356, in governmental activities in leases receivable at January 1, 2022 due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases. The County also recognized $6,467,952 in governmental activities in leases payable at January 1, 2022 that were not reported as capital leases in prior years; however, this entire amount was offset by the intangible asset, right to use lease - buildings and vehicles. The County also measured leases previously reported as capital leases which resulted in a restatement of net position for governmental activities.

GASB Statement No. 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for account and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosure.

GASB Statement No. 92 addresses a variety of topics including reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers and references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These changes did not impact the County's financial statements.

GASB Statement No. 97, among other items, requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan.

The change for GASB Statement No. 91, and GASB No. 97 were incorporated in the County's financial statements; however, there was no effect on beginning net position/fund balance.

B. Restatement of Net Position

The implementation of GASB No. 87, had the following effect on net position as previously reported at December 31, 2021:

	Governmental Activities	Business Type Activity
Net Position at December 31, 2021	$93,312,728	$33,570,105
GASB 87		
Depreciable Capital Assets	(480,619)	0
Leases Payable	498,715	0
Restated Net Position at December 31, 2021	$93,330,824	$33,570,105

Note 3 - Change in Accounting Principles and Restatement of Net Position (continued)

The activity related to the investment trust funds that are carried on the County's books was reevaluated and had the following effect on net position as previously reported for fiscal year ended December 31, 2021. There was no impact on fund balance.

			Custodial	
	Private Purpose	Investment Trust Fund	External Investment Pool	Other Custodial
Net Position December 31, 2021	$12,596	$6,208,660	$0	$49,774,950
Change in Fund Structure	0	(6,208,660)	6,208,660	0
Restated Net Position December 31, 2021	$12,596	$0	$6,208,660	$49,774,950

Note 4 - Accountability

At December 31, 2022, the Wellness special revenue fund and the Water Projects, Sewer Projects, Ditch Construction, Slabtown Road, and Elida Road capital projects funds had a deficit fund balance, in the amount of $1,684, $19,151, $266,044, $1,400,581, $109,124, and $33,876, 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.

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).

Note 5 - Budgetary Basis of Accounting (continued)

3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

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	$3,466,617	$624,651	$367,199	($380,367)	$318,529
Increase (Decrease) Due To					
Revenue Accruals					
Accrued 2021, Received in Cash 2022	2,116,826	793,840	252,981	37,934	(9,940,241)
Accrued 2022, Not Yet Received in Cash	(2,073,997)	(660,753)	(546,957)	(94,890)	19,582,776
Expenditure Accruals					
Accrued 2021, Paid in Cash 2022	(1,239,523)	(307,351)	(646,644)	(488,134)	0
Accrued 2022, Not Yet Paid in Cash	1,113,623	268,016	794,065	368,091	1,205
Cash Adjustments					
Unrecorded Activity 2021	891,164	90,710	136,369	356,711	760
Unrecorded Activity 2022	(333,126)	(92,294)	(211,693)	(270,047)	(70,570)
Prepaid Items	(14,793)	(255,081)	(1,554)	389	0
Materials and Supplies Inventory	6,707	20,398	2,416	1,593	0
Payment on Notes Receivable	63,877	0	0	0	0
Advances In	2,520,257	0	0	0	0
Advances Out	(1,858,150)	0	0	0	0
Encumbrances Outstanding at Year End (Budget Basis)	(140,259)	(1,171,191)	(710,176)	0	(238,350)
Budget Basis	$4,519,223	($689,055)	($563,994)	($468,720)	$9,654,109

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.

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 standard rating service 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 standard rating services, 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

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 standard rating services 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 standard rating services 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.

Note 6 - Deposits and Investments (continued)

Investments

As of December 31, 2022, 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	$26,373,428	$26,373,428	$0
Fair Value (Level 2 Inputs)			
Federal Farm Credit Bank Notes	408,675	408,675	0
Federal Home Loan Bank Notes	6,303,121	0	6,303,121
Federal Home Loan Mortgage Notes	3,892,940	0	3,892,940
United States Treasury Notes	7,257,830	0	7,257,830
Fair Value (Level 3 Inputs)			
Negotiable Certificates of Deposit	2,021,686	975,150	1,046,536
Net Asset Value Per Share			
STAR Ohio	67,670,592	67,670,592	0
Total Investments	$113,928,272	$95,427,845	$18,500,427

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, 2022. The mutual funds are measured at fair value using quoted market prices (Level 1 inputs). The County's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/ dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs). The negotiable certificates of deposit measured at fair value are valued using Level 3 inputs.

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

The mutual funds, 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 AAA 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 standard rating service and STAR Ohio must maintain the highest rating by at least one nationally recognized standard rating service.

Note 6 - Deposits and Investments (continued)

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

	Fair Value	Percentage of Portfolio
Federal Farm Credit Bank Notes	$408,675	0.36%
Federal Home Loan Bank Notes	6,303,121	5.53
Federal Home Loan Mortgage Notes	3,892,940	3.42
United States Treasury Notes	7,257,830	6.37
Negotiable Certificates of Deposit	2,021,686	1.77

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:

Statement of Net Position
December 31, 2022

Assets	
Equity in Pooled Cash and Cash Equivalents	$118,264,904
Accrued Interest Receivable	113,272
Total Assets	$118,378,176
Net Position Held in Trust for Pool Participants	
Internal Portion	$113,160,579
External Portion	5,217,597
Total Net Position Held in Trust for Pool Participants	$118,378,176

Note 7 - Investment Pool (continued)

Statement of Changes in Net Position
For the Year Ended December 31, 2022

Additions	
Investment Earnings	$1,069,471
Capital Transactions	15,684,223
Total Additions	16,753,694
Deductions	
Distributions to Participants	(1,387,758)
Change in Net Position	15,365,936
Net Position Beginning of Year	103,012,240
Net Position End of Year	$118,378,176

See Note 6 for description of investments.

Note 8 - Receivables

Receivables at December 31, 2022, consisted of accounts (e.g., billings for user charged services, including unbilled charges); accrued interest; permissive sales and motor vehicle license taxes; intergovernmental receivables arising from grants, entitlements, and shared revenues; interfund; property taxes; leases, notes; and special assessments. All receivables are considered fully collectible within one year, except for interfund, property taxes, notes, and special assessments. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Notes receivable, in the amount of $402,745, will not be received within one year. Special assessments receivable, in the amount of $1,179,712 will not be received within one year. At December 31, 2022, the amount of delinquent special assessments was $230,347.

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.

Note 8 - Receivables (continued)

A summary of the changes in notes receivable during 2022 follows:

	Balance December 31, 2021	New Loans	Repayments	Balance December 31, 2022
General Fund				
Veteran's Memorial Civic and Convention Center	$263,276	$0	$63,877	$199,399
Special Revenue Funds				
Revolving Loan Fund				
Housing Assistance Program	207,620	0	7,680	199,940
Community Development Block Grant	185,933	0	42,043	143,890
Total Revolving Loan Fund	393,553	0	49,723	343,830
	$656,829	$0	$113,600	543,229
Less Allowance for Uncollectible Accounts				25,606
				$517,623

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Local Government	$577,156
Election Costs	12,290
Homestead and Rollback	204,982
Indigent Defense	417,946
Defiance County	17,945
Bureau of Workers' Compensation	8,286
Total General Fund	1,238,605
Motor Vehicle and Gasoline Tax	
Gasoline Tax	1,842,401
Motor Vehicle License Fees	1,285,659
Charges for Services	36,834
Total Motor Vehicle and Gasoline Tax	3,164,894
Job and Family Services	
Department of Job and Family Services	1,333,065
Bureau of Workers' Compensation	518
Total Job and Family Services	1,333,583
Developmental Disabilities	
Allen County Educational Service Center	248
State of Ohio	212,447
Homestead and Rollback	271,456
Total Developmental Disabilities	484,151
Total Major Funds	6,221,233

(continued)

<u>Note 8 - Receivables</u> (continued)

	Amount
Governmental Activities	
Nonmajor Funds	
Drug Law Enforcement	
Department of Public Safety	$9,766
Sheriff's Grants	57,230
Total Drug Law Enforcement	66,996
Child Support Enforcement Agency	
Child Support Enforcement	249,679
Children Services	
Department of Job and Family Services	976,835
Mental Health and Recovery Services Board	4,223
State of Ohio	40,136
Homestead and Rollback	118,926
Total Children Services	1,140,120
Law Library	
City of Lima	47,367
Felony Care and Subsidy	
Ohio Department of Youth Services	620,499
Adult Probation Grant	
Ohio Department of Rehabilitation and Correction	679,770
Emergency Management Agency	
Emergency Management Grants	28,062
Future Debt Service	
Homestead and Rollback	93,176
Sewer Projects	
City of Lima	5,397
United States Department of Agriculture	937,519
Total Sewer Projects	942,916
Marimor Permanent Improvement	
Homestead and Rollback	23,805
Building and Expansion	
Casino Tax	736,040
Total Nonmajor Funds	4,628,430
Total Governmental Activities	$10,849,663
Custodial Funds	
Local Government	$1,648,807
Library Local Government	2,092,590
Gasoline Tax	953,476
Motor Vehicle License Fees	472,520
Total Custodial Funds	$5,167,393

The County is reporting leases receivable of $3,119,599 in the General Fund at December 31, 2022. These amounts represent the discounted future lease payments. The discount is being amortized using the interest method. For 2022, the County recognized lease revenue of $413,757 and interest revenue of $76,087 in the General Fund related to lease payments received.

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
Soil and Water Conservation	2021	1.25	2022	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
Allen Soil and Water Conservation District	2019	5	2023	Annual
Lima Retirement	2021	5	2026	Monthly
SBA Tower	2005	30	2035	Monthly

A summary of future lease revenue is as follows:

	General Fund	
Year	Principal	Interest
2023	$383,329	$66,795
2024	384,301	57,900
2025	395,374	49,059
2026	298,385	40,903
2027	250,681	36,203
2028-2032	913,192	118,099
2033-2037	494,337	29,078
	$3,119,599	$398,037

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.

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 2022 represent the collection of 2021 taxes. Real property taxes received in 2022 were levied after October 1, 2021, on the assessed values as of January 1, 2021, 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 2022 represent the collection of 2021 taxes. Public utility real and tangible personal property taxes received in 2022 became a lien on December 31, 2020, were levied after October 1, 2021, 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, 2022, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2022 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, 2022, was $11.40 per $1,000 of assessed value. The assessed values of real and public utility property upon which 2022 property tax receipts were based are as follows:

Real Property	
Residential	$1,525,140,550
Agriculture	180,833,540
Commercial/Industrial/Mineral	467,711,080
Public Utility Property	
Real	1,883,100
Personal	230,366,380
Total Assessed Value	$2,405,934,650

Note 11 - Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	Restated Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022
Governmental Activities				
Nondepreciable Capital Assets				
Land	$4,004,419	$0	($126,903)	$3,877,516
Construction in Progress	642,675	3,739,385	(1,081,009)	3,301,051
Total Nondepreciable Capital Assets	4,647,094	3,739,385	(1,207,912)	7,178,567
Depreciable Capital Assets				
Buildings and Improvements	71,947,254	1,434,015	(683,456)	72,697,813
Machinery and Equipment	4,178,254	120,441	(224,511)	4,074,184
Vehicles	4,515,294	600,143	(102,555)	5,012,882
Furniture, Fixtures, and Equipment	6,967,441	635,069	(158,661)	7,443,849
Roads	36,626,092	2,514,177	0	39,140,269
Bridges	35,465,769	1,749,285	0	37,215,054
Intangible Right to Use Assets - Building	6,396,653	162,901	0	6,559,554
Intangible Right to Use Assets - Vehicles	71,299	0	0	71,299
Total Depreciable Capital Assets	166,168,056	7,216,031	(1,169,183)	172,214,904
Less Accumulated Depreciation/Amortization for				
Buildings and Improvements	(44,640,178)	(1,310,362)	353,268	(45,597,272)
Machinery and Equipment	(2,248,038)	(204,703)	224,511	(2,228,230)
Vehicles	(3,096,461)	(474,505)	102,555	(3,468,411)
Furniture, Fixtures, and Equipment	(4,283,718)	(449,739)	154,802	(4,578,655)
Roads	(22,879,309)	(1,790,020)	0	(24,669,329)
Bridges	(13,836,190)	(817,687)	0	(14,653,877)
Intangible Right to Use Assets - Buildings	0	(309,128)	0	(309,128)
Intangible Right to Use Assets - Vehicles	0	(18,807)	0	(18,807)
Total Accumulated Depreciation/Amortization	(90,983,894)	(5,374,951)	835,136	(95,523,709)
Total Depreciable Capital Assets, Net	75,184,162	1,841,080	(334,047)	76,691,195
Governmental Activities Capital Assets, Net	$79,831,256	$5,580,465	($1,541,959)	$83,869,762

Note 11 - Capital Assets (continued)

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022
Business-Type Activity				
Nondepreciable Capital Assets				
Land	$51,219	$0	$0	$51,219
Construction in Progress	784,260	440,863	0	1,225,123
Total Nondepreciable Capital Assets	835,479	440,863	0	1,276,342
Depreciable Capital Assets				
Buildings and Improvements	3,551,806	0	0	3,551,806
Machinery, Equipment, and Vehicles	3,373,615	52,640	(122,714)	3,303,541
Infrastructure	80,351,846	0	0	80,351,846
Total Depreciable Capital Assets	87,277,267	52,640	(122,714)	87,207,193
Less Accumulated Depreciation for				
Buildings and Improvements	(1,622,222)	(101,480)	0	(1,723,702)
Machinery, Equipment, and Vehicles	(2,034,047)	(197,769)	104,439	(2,127,377)
Infrastructure	(41,431,864)	(1,903,575)	0	(43,335,439)
Total Accumulated Depreciation	(45,088,133)	(2,202,824)	104,439	(47,186,518)
Total Depreciable Capital Assets, Net	42,189,134	(2,150,184)	(18,275)	40,020,675
Business-Type Activity Capital Assets, Net	$43,024,613	($1,709,321)	($18,275)	$41,297,017

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
General Government	
Legislative and Executive	$586,248
Judicial	358,453
Public Safety	519,174
Public Works	2,956,363
Health	306,886
Human Services	419,579
Conservation and Recreation	228,248
Total Depreciation Expense - Governmental Activities	$5,374,951

Of the current year depreciation total of $5,374,951, $54,300, $254,828 and $18,807 are presented as General Government - Judicial, Human Services, and Health expense, respectively, on the Statement of Activities related to the County's intangible right to use asset of buildings and vehicles, which are included as an Intangible Right to Use Lease. With the implementation of Governmental Accounting Standards Board Statement No. 87, Leases, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Note 12 - Interfund Receivables/Payables

Interfund balances at December 31, 2022, consisted of the following receivables and payables:

Due to General Fund from:	
Motor Vehicle and Gasoline Tax	$18,797
Job and Family Services	33,640
Developmental Disabilities	28,200
Other Governmental	2,319,349
Sewer	11,764
Total Due to General Fund	$2,411,750
Due to Motor Vehicle and Gasoline Tax Fund from:	
General	$1,749
Other Governmental	605
Total Due to Motor Vehicle and Gasoline Tax Fund	$2,354
Due to Job and Family Services Fund from:	
Other Governmental	$175,306
Due to Developmental Disabilities Fund from:	
Other Governmental	$2,613
Due to Other Governmental Funds from:	
General Fund	$3,976
Job and Family Services	255,218
Other Governmental	227,040
Total Due to Other Governmental Funds	$486,234
Due to Sewer Fund from:	
Other Governmental	$130,938

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 $1,147,010 to the General Fund, $200,000 to other governmental funds, and $128,928 to the Sewer enterprise fund.

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.

<u>Note 13 - Risk Management</u> (continued)

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 2022, 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	9,000,000
Law Enforcement Professional Liability	1,000,000
Public Officials Errors and Omissions Liability	1,000,000
Privacy and Security Liability	1,000,000
Automobile Liability	1,000,000
Uninsured Motorists Liability	250,000
Building and Contents	374,140,554
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 2021 and settled claims have not exceeded this coverage in the past three years. The County pays all elected officials’ bonds by statute.

<u>Note 14 - Construction and Other Significant Commitments</u>

The County had various outstanding contracts at December 31, 2022. The following amounts remain on these contracts.

Vendor	Outstanding Balance
Access Engineering Solutions	$204,000
All Temp Refrigeration	1,197,890
Allen County Children’s Board	439,419
Allen County Common Pleas Court	115,103
Allen Water District	125,000
Basinger Process Services, LLC	27,063
Bricker and Eckler, LLC	77,025
Bullock Home Care, LLC	65,690

(continued)

Note 14 - Construction and Other Significant Commitments (continued)

Vendor	Outstanding Balance
Cargill, Inc.	$48,383
CDW Government, Inc.	85,619
City of Lima	369,580
Connect Parent Corporation	26,727
Cott Systems, Inc.	161,325
Courtview Justice Solutions	169,621
Deere & Company	61,176
Degen Excavating Company, Inc.	2,259,071
Encore Precast, LLC	117,048
Heyne Construction, Inc.	1,067,200
Jack Doheny Companies	340,536
K & P Medical Transport	52,930
Kalida Truck Equipment, Inc.	85,300
Kohli & Kaliher Association LTD, Inc.	71,129
Martin Investigative Services	28,753
Maximus Consulting Services	45,000
MS Consultants, Inc.	191,686
NR Lee Restoration, LTD	31,080
Peterson Construction	590,653
R & G Zachrich Construction	49,351
Reineke Ford	66,930
Rush Truck Center of Ohio, Inc.	497,290
Tom Ahl Buick	50,000
Transportation Services	126,462
Westerheide Construction, Inc.	95,727
Woolpert Consultants	29,719

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

General Fund	$140,259
Motor Vehicle and Gasoline Tax Fund	1,171,191
Job and Family Services Fund	710,176
American Rescue Plan	238,350
Other Governmental Funds	5,677,370
	$7,937,346

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 Plans

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 employee, of salaries and benefits for employee services. Pensions/OPEB are provided to an employe, 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.

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.

Note 16 - Defined Benefit Pension Plans (continued)

The proportionate share of each plan's unfunded benefits is presented as a net pension/OPEB asset or a long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable. The remainder of this note includes the required pension disclosures. See Note 17 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees, other than certified teachers, 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. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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):

Note 16 - Defined Benefit Pension Plans (continued)

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

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

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

Note 16 - Defined Benefit Pension Plans (continued)

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

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

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

Note 16 - Defined Benefit Pension Plans (continued)

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

	State and Local	Public Safety	Law Enforcement
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2022 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2022, the County’s contractually required contribution was $4,963,242 for the traditional plan, $175,954 for the combined plan and $115,403 for the member-directed plan. Of these amounts, $434,870 is reported as an intergovernmental payable for the traditional plan, $15,156 for the combined plan, and $8,258 for the member-directed plan.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Teachers employed by the Board of Developmental Disabilities participate in STRS Ohio, a cost-sharing multiple employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

Note 16 - Defined Benefit Pension Plans (continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

Note 16 - Defined Benefit Pension Plans (continued)

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2022 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2022, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS was $0 for 2022.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2021, 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:

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.230633760%	0.256536400%	0.000213530%	
Prior Measurement Date	0.244432440%	0.244513080%	0.001452800%	
Change in Proportionate Share	0.013798680%	0.012023320%	0.001239270%	
Proportionate Share of the:				
Net Pension Liability	$20,066,072	$0	$47,469	$20,113,541
Net Pension Asset	0	1,010,768	0	1,010,768
Pension Expense	(3,800,025)	(44,689)	(151,524)	(3,996,238)

2022 pension expense for the member-directed defined contribution plan was $115,403. The aggregate pension expense for all pension plans was a negative $3,880,835 for 2022.

Note 16 - Defined Benefit Pension Plans (continued)

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$1,022,938	$6,271	$607	$1,029,816
Changes of assumptions	2,509,241	50,793	5,681	2,565,715
Net difference between projected and actual earnings on pension plan investments	0	0	1,652	1,652
Changes in proportion and differences between County contributions and proportionate share of contributions	597,269	2,447	0	599,716
County contributions subsequent to the measurement date	4,963,242	175,954	0	5,139,196
Total Deferred Outflows of Resources	$9,092,690	$235,465	$7,940	$9,336,095
Deferred Inflows of Resources				
Differences between expected and actual experience	$440,099	$113,050	$181	$553,330
Changes of assumptions	0	0	4,276	4,276
Net difference between projected and actual earnings on pension plan investments	23,867,860	216,693	0	24,084,553
Changes in proportion and differences between County contributions and proportionate share of contributions	1,707,465	59,811	336,013	2,103,289
Total Deferred Inflows of Resources	$26,015,424	$389,554	$340,470	$26,745,448

$5,139,196 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 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Note 16 - Defined Benefit Pension Plans (continued)

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Year Ending December 31:				
2023	($3,777,248)	($74,781)	($137,774)	($3,989,803)
2024	(8,699,606)	(100,183)	(121,160)	(8,920,949)
2025	(5,612,300)	(68,589)	(78,411)	(5,759,300)
2026	(3,796,822)	(52,882)	4,815	(3,844,889)
2027	0	(14,585)	0	(14,585)
Thereafter	0	(19,023)	0	(19,023)
Total	($21,885,976)	($330,043)	($332,530)	($22,548,549)

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, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Note 16 - Defined Benefit Pension Plans (continued)

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 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	0.5 percent, simple through 2021, then 2.15 percent, simple	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, 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 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.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

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

Note 16 - Defined Benefit Pension Plans (continued)

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00%	4.21%

Discount Rate - The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Note 16 - Defined Benefit Pension Plans (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	$52,905,078	$20,066,072	($7,260,351)
OPERS Combined Plan	($754,217)	($1,010,768)	($1,210,852)

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022
Inflation	2.50 percent
Salary increases	From 2.5 percent to 12.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

For 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. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.Post-retirement mortality rates 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, 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.

Note 16 - Defined Benefit Pension Plans (continued)

Actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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

* Target allocation percentage is effective July 1, 2022.
Target weights were phased in over a 3 month period
concluding on October 1, 2022
** 10 year annualized geometric nominal returns, which include
the real rate of return and inflation of 2.25 percent, and is net
of investment expenses. Over a 30-year period, STRS'
investment consultant indicates that the above target allocations
should generate a return above the actuarial rate of return,
without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

Note 16 - Defined Benefit Pension Plans (continued)

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	$71,707	$47,469	$26,969

Note 17 - Defined Benefit OPEB Plans

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, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is 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. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

Note 17 - Defined Benefit OPEB Plans (continued)

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

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets. the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority 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 and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, 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.

Note 17 - Defined Benefit OPEB Plans (continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $38,314 for 2022. Of this amount, $3,303 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums will be reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the year ended December 31, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB asset for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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.

Note 17 - Defined Benefit OPEB Plans (continued)

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

	OPERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.227608410%	0.000213530%	
Prior Measurement Date	0.240191280%	0.001452800%	
Change in Proportionate Share	0.012582870%	0.001239270%	
Proportionate Share of the Net OPEB Asset	$7,129,044	$5,529	$7,134,573
OPEB Expense	($5,803,303)	($4,564)	($5,807,867)

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$0	$80	$80
Changes of assumptions	(1)	236	235
Net difference between projected and actual earnings on OPEB plan investments	0	96	96
Changes in proportionate Share and difference between County contributions and proportionate share of contributions	437,171	972	438,143
County contributions subsequent to the measurement date	38,314	0	38,314
Total Deferred Outflows of Resources	$475,484	$1,384	$476,868
Deferred Inflows of Resources			
Differences between expected and actual experience	$1,081,368	$830	$1,082,198
Changes of assumptions	2,885,757	3,921	2,889,678
Net difference between projected and actual earnings on OPEB plan investments	3,398,626	0	3,398,626
Changes in Proportionate Share and Difference between County contributions and proportionate share of contributions	211,704	8,408	220,112
Total Deferred Inflows of Resources	$7,577,455	$13,159	$7,590,614

Note 17 - Defined Benefit OPEB Plans (continued)

$38,314 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 asset or an increase of the net OPEB asset in 2023. 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	STRS	Total
Fiscal Year Ending December 31:			
2023	($4,257,004)	($4,835)	($4,261,839)
2024	(1,652,604)	(4,817)	(1,657,421)
2025	(742,582)	(1,148)	(743,730)
2026	(488,095)	(385)	(488,480)
2027	0	(212)	(212)
Thereafter	0	(378)	(378)
Total	($7,140,285)	($11,775)	($7,152,060)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2034	8.5 percent, initial 3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Note 17 - Defined Benefit OPEB Plans (continued)

For 2021, 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 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.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

<u>Note 17 - Defined Benefit OPEB Plans</u> (continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00%	3.45%

Discount Rate - A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 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 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents the County's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 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 (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
County's proportionate share of the net OPEB asset	$4,192,547	$7,129,044	$9,566,381

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

Note 17 - Defined Benefit OPEB Plans (continued)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	$7,206,082	$7,129,044	$7,037,652

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age from 2.5 percent to 12.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	5.00 percent initial 4 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

<u>Note 17 - Defined Benefit OPEB Plans</u> (continued)

For 2022, healthy retirees 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.

For 2021, healthy retirees the mortality rates 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. For disabled retirees, 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.

Actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 16.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB asset	$5,111	$5,529	$5,887

Note 17 - Defined Benefit OPEB Plans (continued)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	$5,735	$5,529	$5,269

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.

Note 19 - Long-Term Obligations

The County's long-term obligations activity for the year ended December 31, 2022, was as follows:

	Interest Rate	Balance January 1, 2022 (Restated)	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Governmental Activities						
Special Assessment Bonds with Government Commitment						
2005 Delmar/Glenn Sewer						
(Original Amount $342,600)	3.0 - 5.0	$71,700	$0	$23,300	$48,400	$24,200
2005 Trebor Drive Waterline						
(Original Amount $11,000)	3.0 - 5.0	2,300	0	700	1,600	800
2005 Southwood Waterline						
(Original Amount $71,000)	3.0 - 5.0	6,000	0	6,000	0	0
2005 Berryman Waterline						
(Original Amount $133,000)	3.0 - 5.0	20,000	0	10,000	10,000	10,000
2005 Oakview Project						
(Original Amount $805,000)	3.0 - 5.0	170,000	0	55,000	115,000	55,000
2006 Bond Premium		36,347	0	9,084	27,263	0
Total Special Assessment Bonds		306,347	0	104,084	202,263	90,000
OPWC Loans from Direct Borrowings						
Second						
(Original Amount $188,611)	0.00	28,291	0	9,431	18,860	4,715
Eastown 1						
(Original Amount $995,670)	0.00	224,026	0	49,783	174,243	24,892
Eastown 2						
(Original Amount $135,232)	0.00	37,188	0	6,762	30,426	3,381

(continued)

Note 19 - Long-Term Obligations (continued)

	Interest Rate	Balance January 1, 2022 (Restated)	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Governmental Activities (continued)						
OPWC Loans from Direct Borrowings (continued)						
Eastown 4						
(Original Amount $684,638)	0.00	$308,087	$0	$34,232	$273,855	$17,116
Road Resurfacing						
(Original Amount $345,518)	0.00	138,207	0	17,276	120,931	8,638
Shawnee Road						
(Original Amount $500,000)	0.00	400,000	0	20,000	380,000	10,000
Hume Road						
(Original Amount $65,000)	0.00	52,000	0	2,600	49,400	1,300
Zurmehly Road Bridge						
(Original Amount $190,192)	0.00	147,399	0	9,509	137,890	4,755
Kill Road Reconstruction						
(Original Amount $45,375)	0.00	37,434	0	2,269	35,165	1,134
Total OPWC Loans		1,372,632	0	151,862	1,220,770	75,931
OWDA Loans from Direct Borrowings						
Lutz/Early						
(Original Amount $718,512)	1.00%	155,392	0	38,269	117,123	38,652
4th /Bowman						
(Original Amount $437,856)	0.00	87,571	0	21,893	65,678	21,893
Perry Schools Sewer						
(Original Amount $482,944)	3.42	214,851	0	27,660	187,191	28,615
Findlay Rd						
(Original Amount $429,009)	3.42	172,877	0	26,426	146,451	27,338
Westminister						
(Original Amount $3,373,636)	0.00	1,602,476	0	168,682	1,433,794	168,682
Indian Village Mobile Home Park						
(Original Amount $375,581)	3.74	274,308	0	16,733	257,575	17,365
Total OWDA Loans		2,507,475	0	299,663	2,207,812	302,545
Net Pension Liability						
Ohio Public Employees Retirement System		34,471,547	0	15,372,517	19,099,030	0
State Teachers Retirement System		185,752	0	138,283	47,469	0
Total Net Pension Liability		34,657,299	0	15,510,800	19,146,499	0
Capital Loans Payable from Direct Borrowings		916,658	1,200,000	161,028	1,955,630	163,562
Leases Payable		6,467,952	162,901	324,271	6,306,582	303,613
Compensated Absences Payable		3,419,379	598,420	460,739	3,557,060	1,696,460
Total Governmental Activities		$49,647,742	$1,961,321	$17,012,447	$34,596,616	$2,632,111

Note 19 - Long-Term Obligations (continued)

	Interest Rate	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Business-Type Activity						
OWDA Loans from Direct Borrowings						
American II						
(Original Amount $9,311,017)	1.00%	$3,472,100	$0	$481,295	$2,990,805	$486,120
Bath SSO						
(Original Amount $636,518)	1.00	269,935	0	32,576	237,359	32,902
Ottawa River Sewer Inceptor						
(Original Amount $3,318,241)	3.65	2,417,503	0	148,320	2,269,183	153,783
Shawnee II WWTP, Pump Station						
(Original Amount $12,725,369)	3.45-3.95	9,521,736	0	561,028	8,960,708	581,079
Total OWDA Loans		15,681,274	0	1,223,219	14,458,055	1,253,884
Net Pension Liability						
Ohio Public Employees Retirement System		1,723,580	0	756,538	967,042	0
Financed Purchases Payable		227,886	0	73,864	154,022	75,932
Compensated Absences Payable		239,255	39,542	46,209	232,588	134,338
Total Business-Type Activities		$17,871,995	$39,542	$2,099,830	15,811,707	$1,464,154

General Obligation Bonds

All general obligation bonds are supported by the full faith and credit of Allen County and are payable from unvoted property tax revenues to the extent that other resources are not available to meet annual principal and interest payments.

Special Assessment Bonds

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

OPWC Loans

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

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.

Note 19 - Long-Term Obligations (continued)

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 $1,220,770, principal and interest remaining to be paid on the OWDA loans is $2,207,812 and $102,104, respectively. The OPWC loans are payable though 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 $14,458,055 and $2,870,542, respectively. Principal and interest paid in the Sewer enterprise fund for the current year were $1,335,107 and $455,668, respectively. Total net revenues for the Sewer enterprise fund were $4,057,963. The OWDA loans are payable through 2035.

Capital Loans Payable

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

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

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

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

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.

Note 19 - Long-Term Obligations (continued)

Leases Payable

The County has outstanding agreements to lease a building, office space, and vehicles. Due to the implementation of GASB Statement No. 87, these leases plus existing prior year capital leases met the criteria of leases thus requiring them to be recorded by the County. The future lease payments were discounted based on the County's incremental borrowing rate. This discount is being amortized using the interest rate method over the life of the lease. Leases will be paid from the Job and Family Services and the Felony Care and Subsidy special revenue funds, and the Marimor Permanent Improvement capital projects fund.

Year	Principal	Interest
2023	$303,613	$53,608
2024	336,509	50,825
2025	301,195	43,932
2026	262,932	41,068
2027	264,998	39,002
2028-2032	1,356,558	163,442
2033-2037	1,410,701	109,299
2038-2042	1,467,006	52,994
2043-2044	603,070	4,930
	$6,306,582	$559,100

Net Pension Liability

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

Compensated Absences Payable

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

The County's legal debt margin was $49,116,700 and an unvoted debt margin of $14,527,681.

Note 19 - Long-Term Obligations (continued)

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

	Special Assessment Bonds		OPWC Loans From Direct Borrowings	OWDA Loans From Direct Borrowings		Capital Loans From Direct Borrowings	
Year	Principal	Interest	Principal	Principal	Interest	Principal	Interest
2023	$90,000	$7,438	$75,931	$302,545	$21,483	$163,562	$12,608
2024	85,000	3,612	151,862	305,516	18,511	35,600	37,094
2025	0	0	147,146	308,585	15,442	36,200	36,333
2026	0	0	142,431	250,033	12,375	37,000	35,557
2027	0	0	92,647	252,903	9,506	37,800	34,763
2028-2032	0	0	334,893	736,974	22,369	201,700	161,251
2033-2038	0	0	171,891	51,256	2,418	224,500	138,509
2038-2042	0	0	103,969	0	0	250,000	113,057
2043-2048	0	0	0	0	0	278,400	84,546
2048-2052	0	0	0	0	0	310,300	52,609
2053-2057	0	0	0	0	0	195,368	25,519
2058-2062	0	0	0	0	0	185,200	8,196
	$175,000	$11,050	$1,220,770	$2,207,812	$102,104	$1,955,630	$740,042

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

	OWDA Loans From Direct Borrowings		Financed Purchase From Direct Borrowings	
Year	Principal	Interest	Principal	Interest
2023	$1,253,884	$425,001	$75,932	$4,278
2024	1,285,522	393,364	78,090	2,120
2025	1,318,165	360,721	0	0
2026	1,351,849	327,037	0	0
2027	1,386,609	292,277	0	0
2028-2032	5,292,270	937,316	0	0
2033-2035	2,569,756	134,826	0	0
	$14,458,055	$2,870,542	$154,022	$6,398

Note 19 - Long-Term Obligations (continued)

Conduit Debt

To further economic development in the County, the County has issued Healthcare Improvement Revenue bonds that provide capital financing to private-sector entities for the acquisition and construction of hospital facilities. The properties financed are pledged as collateral, and the bonds are payable solely from payments received form 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, 2022 the bonds have an aggregate outstanding principal amount payable of $2,254,490,000.

Note 20 - Interfund Transfers

During 2022, the General Fund made transfers to the Job and Family Services special revenue fund and to other governmental funds, in the amount of $358,177 and $441,903, respectively, to subsidize operations in those funds. The Motor Vehicle and Gasoline Tax special revenue fund made transfers to other governmental funds, in the amount of $105,308, for road construction activities. The Developmental Disabilities special revenue fund made transfers to other governmental funds, in the amount of $800,000 for capital improvements. Other governmental funds made transfers to the General Fund and other governmental funds, in the amount of $4,740 and $1,772,416, respectively; $4,740 to reimburse costs made by the General Fund, $308 to subsidize operations, and $1,772,108 to make debt payments when due. The Sewer enterprise fund made transfers to the other governmental funds, in the amount of $141,518 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	Develompental Disabilities
Nonspendable for:				
Interfund Loans	$1,147,010	$0	$0	$0
Prepaid Items	295,810	272,297	34,221	28,200
Materials and Supplies Inventory	54,767	523,655	11,289	43,849
Unclaimed Monies	301,245	0	0	0
Total Nonspendable	1,798,832	795,952	45,510	72,049
Restricted for:				
Developmental Disabilities Operations	0	0	0	12,060,023
Job and Family Services Operations	0	0	1,973,805	0
Road and Bridge Repair/ Improvement	0	4,054,069	0	0
Total Restricted	0	4,054,069	1,973,805	12,060,023
Committed to:				
Future Severance Payments	9,577	0	0	0
Total Committed	9,577	0	0	0
Assigned for:				
Airport	1,523	0	0	0
Clerk of Courts	12,757	0	0	0
Drug Court	22,290	0	0	0
Economic Development	572,387	0	0	0
Probate Court	5,427	0	0	0
Projected Budget Shortage	8,558,619	0	0	0
Recorder Equipment	99,465	0	0	0
Title Administration	1,918,665	0	0	0
Unpaid Obligations	140,259	0	0	0
Total Assigned	11,331,392	0	0	0
Unassigned	12,053,327	0	0	0
Total Fund Balance	$25,193,128	$4,850,021	$2,019,315	$12,132,072

Note 21 - Fund Balance (continued)

Fund Balance	American Rescue Plan	Other Governmental Funds
Nonspendable for:		
Prepaid Items	$0	$47,245
Materials and Supplies Inventory	0	3,741
Total Nonspendable	0	50,986
Restricted for:		
Board of Elections	0	21,657
Child Support Enforcement	0	573,703
Childrens Services	0	4,915,072
Court Operations	0	3,238,450
Crime Victcim Assistance	0	837
Debt Retirement	0	2,211,608
Delinquent Tax Collection	0	86,944
Ditch Maintenance	0	1,494,618
Dog and Kennel Operations	0	412,780
Economic Development and Rehabilitation	0	1,071,076
Economic Recovery	322,579	6,932
Emergency Management Age	0	56,176
Family Counseling	0	6,166
Foreign Trade Zone	0	3,258
Law Library	0	487,879
Opioid Settlement	0	35,374
Permanent Improvements	0	6,434,331
Real Estate Assessments	0	2,499,941
Sheriff Operations	0	936,201
Tax Abatement	0	12,078
Total Restricted	322,579	24,505,081
Committed for:		
Permanent Improvements	0	1,398,725
Assigned for:		
Permanent Improvements	0	4,813
Unassigned (Deficit)	0	(1,830,460)
Total Fund Balance	$322,579	$24,129,145

Note 21 - Fund Balance (continued)

The County has established a General Fund budget stabilization arrangement by resolution pursuant to Ohio Revised Code Section 5705.13 to stabilize against cyclical changes in revenues. The stabilization arrangement does not meet the criteria to be classified as restricted or committed. The County did not identify any requirements for additions to the stabilization amount or conditions under which amounts can be spent other than upon approval by the County Commissioners. The balance in the reserve at December 31, 2022, was $4,967,222.

Note 22 - Joint Ventures

A. Lima-Allen County Downtown Construction

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

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

The City of Lima has agreed to enter into a long-term lease agreement with the County offering the County a one-half ownership interest in the parking garage, which will be operated and maintained by the Lima-Allen County Joint Parking Commission, in accordance with the rules and regulations established for the Joint Parking Commission (see Note 23). As of December 31, 2022, 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.

Note 22 - Joint Ventures (continued)

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

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

Note 23 - Jointly Governed Organizations

A. Lima-Allen County Regional Planning Commission

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

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

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

In 2022, 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.

Note 23 - Jointly Governed Organizations (continued)

Allen County, the largest of the six counties, initially contributed 33 percent of the total funds contributed. In 1994, the District became self-supporting and does not anticipate having to rely on future support coming from funds given to the District by the six counties. The County does not contribute to the 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.

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

D. Lima-Allen County Joint Parking Commission

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

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

Note 24 - Insurance Pools

A. County Risk Sharing Authority, Inc.

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

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

B. County Employee Benefits Consortium of Ohio, Inc.

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

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

Note 25 - Related Organizations

A. Port Authority of Allen County

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

Note 25 - Related Organizations (continued)

B. Allen County Regional Airport Authority

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

Although the County has no obligation to provide financial resources to the airport, the County Commissioners have in prior years allocated certain funds to the Airport Authority. In 2022, this allocation was $61,784.

C. Allen County Transportation Improvement District

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

D. Allen County Veterans Memorial Civic and Convention Center

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

Note 26 - LODDI

A. Summary of Significant Accounting Policies

Reporting Entity

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

Note 26 - LODDI (continued)

Basis of Presentation

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

B. Deposits and Investments

At December 31, 2022, the carrying amount of deposits was $171,319. 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 $57,406, and mutual funds, in the amount of $10,347. There are no significant statutory restrictions regarding the deposit and investment of funds by the not-for-profit corporation.

C. Capital Assets

LODDI had capital assets of land and buildings, in the amount of $164,146 and $2,039,022, respectively, as of December 31, 2022. Accumulated depreciation was $677,356, with a net capital asset amount of $1,525,812. 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, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Mortgage Notes Payable	5.625%	$66,411	$49,367	$3,763	$112,015	$7,950

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.

Note 27 - Allen County Land Reutilization Corporation (continued)

B. Deposits and Investments

At December 31, 2022, the carrying amount of deposits was $641,560. 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 $1,953,195 as of December 31, 2022. The property held is mostly vacant and abandoned properties in primarily distressed neighborhoods. All significant costs incurred to acquire and improve or rehabilitate the property are recorded as "Property Held for Resale" on the statement of net position. Reimbursements for these costs are reported as part of the property sale revenue when sold.

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

D. Capital Assets

The Land Bank had capital assets of equipment, in the amount of $7,750 as of December 31, 2022. Accumulated depreciation was $369, with a net capital asset amount of $7,381. Depreciation is computing using straight line method over a useful life of five years.

E. Long-Term Obligations

	Interest Rate	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Notes Payable	5.0%	$0	$150,000	$0	$150,000	$150,000

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.

Note 28 - Contingent Liabilities (continued)

B. Federal and State Grants

For the period January 1, 2022, to December 31, 2022, the County received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the County believes such disallowances, if any, would be immaterial.

Note 29 - Covid-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the County received COVID-19 funding. The County will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

The County's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

The financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the County.

Note 30 - Subsequent Event

On February 21, 2023, the County issued special assessment bonds, in the amount of $130,000, for ditch improvements. The bonds have an interest rate of 4.5 percent and mature on November 1, 2027.

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 Nine Years (1)

	2022	2021	2020	2019
County's Proportion of the Net Pension Liability	0.23063376%	0.24443244%	0.23154936%	0.24113735%
County's Proportionate Share of the Net Pension Liability	$20,066,072	$36,195,127	$45,767,306	$66,042,633
County's Covered Payroll	$32,794,249	$33,297,133	$31,883,423	$31,580,022
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	61.19%	108.70%	143.55%	209.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 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

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

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

	2022	2021	2020	2019
County's Proportion of the Net Pension Asset	0.25653640%	0.24451308%	0.21727692%	0.20995425%
County's Proportionate Share of the Net Pension Asset	$1,010,768	$705,823	$453,077	$234,778
County's Covered Payroll	$1,177,286	$1,083,921	$978,736	$893,036
County's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	85.86%	65.12%	46.29%	26.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	169.88%	157.67%	145.28%	126.64%

(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

2018
0.21070735%
$286,843
$873,108
32.85%
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

	2022	2021	2020	2019
County's Proportion of the Net Pension Liability	0.00021353%	0.00145280%	0.00179762%	0.00286235%
County's Proportionate Share of the Net Pension Liability	$47,469	$185,752	$434,960	$632,990
County's Covered Payroll	$27,757	$179,264	$216,943	$336,050
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	171.02%	103.62%	200.50%	188.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

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

See Accompanying Notes to the Required Supplementary Information

2018	2017	2016	2015	2014	2013
0.00329680%	0.00380363%	0.00732584%	0.00678598%	0.00727737%	0.00727737%
$724,892	$903,561	$2,452,182	$1,875,444	$1,770,107	$2,108,541
$374,793	$418,164	$770,821	$708,007	$800,746	$780,192
193.41%	216.08%	318.13%	264.89%	221.06%	270.26%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

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

	2022	2021	2020	2019
County's Proportion of the Net OPEB Liability (Asset)	0.22760841%	0.24019128%	0.22683696%	0.23593620%
County's Proportionate Share of the Net OPEB Liability (Asset)	($7,129,044)	($4,279,197)	$31,332,077	$30,760,511
County's Covered Payroll	$34,842,835	$35,233,604	$33,604,384	$33,237,483
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-20.46%	-12.15%	93.24%	92.55%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%

(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

2018	2017
0.23867150%	0.25107700%
$25,917,968	$25,359,630
$33,131,281	$33,050,769
78.23%	76.73%
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 Six Fiscal Years (1)

	2022	2021	2020	2019
County's Proportion of the Net OPEB Liability (Asset)	0.00021353%	0.00145280%	0.00179762%	0.00286235%
County's Proportionate Share of the Net OPEB Liability (Asset)	($5,529)	($30,631)	($31,593)	($47,408)
County's Covered Payroll	$27,757	$179,264	$216,943	$336,050
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-19.92%	-17.09%	-14.56%	-14.11%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%	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 year were determined as of June 30th.

See Accompanying Notes to the Required Supplementary Information

2018	2017
0.00329680%	0.00380363%
($52,977)	$148,404
$374,793	$418,164
-14.14%	35.49%
176.00%	47.10%

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

	2022	2021	2020	2019
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	$4,963,242	$4,742,126	$4,819,305	$4,614,086
Contributions in Relation to the Contractually Required Contribution	(4,963,242)	(4,742,126)	(4,819,305)	(4,614,086)
Contribution Deficiency (Excess)	$0	$0	$0	$0
County Covered Payroll	$34,422,179	$32,794,249	$33,297,133	$31,883,423
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net Pension Asset - Combined Plan				
Contractually Required Contribution	$175,954	$164,820	$151,749	$137,023
Contributions in Relation to the Contractually Required Contribution	(175,954)	(164,820)	(151,749)	(137,023)
Contribution Deficiency (Excess)	$0	$0	$0	$0
County Covered Payroll	$1,256,814	$1,177,286	$1,083,921	$978,736
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability - OPEB Plan (1)				
Contractually Required Contribution	$38,314	$34,852	$34,102	$29,689
Contributions in Relation to the Contractually Required Contribution	(38,314)	(34,852)	(34,102)	(29,689)
Contribution Deficiency (Excess)	$0	$0	$0	$0
County Covered Payroll (2)	$36,636,843	$34,842,835	$35,233,604	$33,604,384
OPEB Contributions as a Percentage of Covered Payroll	0.04%	0.04%	0.04%	0.04%

(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

2018	2017	2016	2015	2014	2013
$4,560,770	$4,226,933	$3,907,021	$4,122,098	$4,073,325	$5,063,631
(4,560,770)	(4,226,933)	(3,907,021)	(4,122,098)	(4,073,325)	(5,063,631)
$0	$0	$0	$0	$0	$0
$31,580,022	$31,488,073	$31,433,836	$33,225,588	$32,790,592	$37,870,469
14.00%	13.42%	12.43%	12.41%	12.42%	13.37%
$125,025	$113,504	$101,842	$106,915	$92,896	$90,497
(125,025)	(113,504)	(101,842)	(106,915)	(92,896)	(90,497)
$0	$0	$0	$0	$0	$0
$893,036	$873,108	$848,683	$890,958	$774,133	$696,131
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
$30,577	$355,423	$676,381			
(30,577)	(355,423)	(676,381)			
$0	$0	$0			
$33,237,483	$33,131,281	$33,050,769			
0.04%	1.02%	2.04%			

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

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	$0	$16,325	$26,742	$40,116
Contributions in Relation to the Contractually Required Contribution	0	(16,325)	(26,742)	(40,116)
Contribution Deficiency (Excess)	$0	$0	$0	$0
County Covered Payroll	$0	$116,607	$191,014	$286,543
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	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
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.

See Accompanying Notes to the Required Supplementary Information

2018	2017	2016	2015	2014	2013
$48,994	$22,603	$73,323	$77,672	$73,514	$99,683
(48,994)	(22,603)	(73,323)	(77,672)	(73,514)	(99,683)
$0	$0	$0	$0	$0	$0
$349,957	$161,450	$523,736	$554,800	$565,490	$766,792
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%
$0	$0	$0	$0	$2,405	$7,668
0	0	0	0	(2,405)	(7,668)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.43%	1.00%

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:

	2022	2019	2018 and 2017	2016 and prior
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:

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 5.50 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.

Amounts reported beginning in 2017 use pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of 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

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

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

Changes in Assumptions - STRS Pension

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

	2017	2016 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	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
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustment (COLA)	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 August 1, ,2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

Investment rate of return:	
2021 and 2022	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.

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:	
2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
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:	
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
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:	
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Benefit Term - STRS Pension

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

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

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..

Allen County, Ohio
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/ Pass Through Grantor/ Program Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Passed through the Ohio Department of Job and Family Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6892	$0	$207,214
Total SNAP Cluster			0	207,214
Direct Program				
Water and Waste Disposal Systems for Rural Communities	10.760	N/A		843,845
Total U.S. Department of Agriculture			0	1,051,059
U.S. Department of Housing and Urban Development				
Passed through the Ohio Department of Developement:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				
Formula Allocation Program	14.228	B-F-20-1AB-1	0	148,216
Residential Public Infrastructure Program	14.228	B-W-20-1AB-1	0	746,500
Residential Public Infrastructure Program	14.228	B-W-20-1AB-2	0	746,500
Residential Public Infrastructure Program	14.228	B-W-20-1AB-3	0	350,000
Economic Development Program	14.228	B-E-20-1B-1	0	189,900
Community Housing Improvement Program - CHIP	14.228	B-C-21-1AB-1	0	79,452
CDBG Revolving Loans	14.228	N/A	0	8,457
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			0	2,269,025
Total U.S. Department of Housing and Urban Development			0	2,269,025
U.S. Department of Labor				
Passsed through the Greater Ohio Workforce Board, Inc.:				
WIOA National Dislocated Workers Grants / WIA National Emergency Grants	17.277	2020/21-7102-1	0	15,355
Unemployment insurance	17.225	2020/21-7102-1	0	54,290
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	17.207	2020/21-7102-1	0	18,336
Total Employment Service Cluster			0	18,336
Trade Adjustment Assistance	17.245	2020/21-7102-1	0	2,878
WIOA Cluster				
WIOA Adult Program	17.258	2020/21-7102-1	0	337,005
WIOA Youth Activities	17.259	2020/21-7102-1	0	330,578
WIOA Dislocated Worker Formula Grants	17.278	2020/21-7102-1	0	341,770
Total WIOA Cluster			0	1,009,353
Total U.S. Department of Labor			0	1,100,212
U.S. Department of Transportation				
Passed through the Ohio Department of Public Safety:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	00028, IDEP/STEP-2023-Allen County Sheriff's Of-00028	0	20,920
Total Highway Safety Cluster			0	20,920
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	00028, IDEP/STEP-2023-Allen County Sheriff's Of-00028	0	13,552
Total U.S. Department of Transportation			0	34,472
U.S. Department of Education				
Passed through the Ohio Department of Developmental Disabilities:				
Special Education - Grants for Infants and Families	84.181	H181A200024	0	157,822
Total U.S. Department of Education			0	157,822

(continued)

Federal Grantor/ Pass Through Grantor/ Program Title	Federal AL Number	Pass Through Entity Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Health and Human Services				
Passed through the Ohio Department of Developmental Disabilities:				
Elder Abuse Prevention Interventions Program	93.747	G-2223-11-6892	$0	$27,870
Passed through the Ohio Department of Developmental Disabilities:				
Social Services Block Grant	93.667	2001OHSOSR	0	$73,313
Passed through the Ohio Department of Job and Family Services:				
Social Services Block Grant	93.667	G-2223-11-6892	$0	$773,549
Total Social Services Block Grant			0	846,862
Passed through the Ohio Department of Job and Family Services:				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2223-11-6894	0	102,897
MaryLee Allen Promoting Safe and Stable Families Program	93.556	5AU-20-C0002	0	41,094
Total MaryLee Allen Promoting Safe and Stable Families Program			0	143,991
Child Support Enforcement	93.563	G-2223-11-6893	0	1,638,772
Stephanie Tubbs Jones Child Welfare Service Program	93.645	G-2223-11-6894	0	80,027
Stephanie Tubbs Jones Child Welfare Service Program	93.645	5AU-20-C0002	0	5,079
Total Stephanie Tubbs Jones Child Welfare Service Program			0	85,106
Foster Care Title IV-E	93.658	G-2223-11-6894	0	1,341,194
Adoption Assistance	93.659	G-2223-11-6894	0	918,688
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2223-11-6894	0	25,861
Children's Health Insurance Program	93.767	G-2223-11-6892	0	559,163
CCDF Cluster:				
Child Care and Development Block Grant	93.575	G-2223-11-6892	0	116,170
Total CCDF Cluster			0	116,170
Temporary Assistance for Needy Families	93.558	G-2223-11-6892	8,439	5,397,552
Temporary Assistance for Needy Families	93.558	G-2223-11-6894	0	13,022
Total Temporary Assistance for Needy Families			8,439	5,410,574
Passed through the Ohio Department of Job and Family Services:				
Medicaid Cluster				
Medical Assistance Program	93.778	G-2223-11-6892	0	976,853
Total Medicaid Cluster			0	976,853
Total U.S. Department of Health and Human Services			8,439	12,091,104
U.S. Department of Justice				
Passed Through Ohio Department of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JG-A01-6409	0	21,449
Residual Substance Abuse Treatment for State Prisoners	16.593	2019-RS-SAT-127	0	15,792
Total U.S. Department of Justice			0	37,241
U.S. Department of Homeland Security				
Passed through the Ohio Department of Public Safety:				
Homeland Security Grant Program	97.067	EMW-2020-SS-00037-S01, EMW-2019-SS-00024-S01, EMW-2021-SS-0004	0	21,231
Total U.S. Department of Homeland Security			0	21,231
U.S. Department of the Treasury				
Direct Assistance:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	296,501
Total U.S. Department of the Treasury			0	296,501
Total Federal Expenditures			$8,439	$17,058,667

N/A - pass through entity number not available

The accompanying notes are an integral part of this schedule

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, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

NOTE 4 – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTERNSHIPS 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, 2022 is $343,830.

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.

NOTE 6 - SUBRECIPIENTS

The County passes certain federal awards received from the U.S. Department of Health and Human Services to other governments or not-for-profit agencies (subrecipients). As Note 2 describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these sub-awards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE 7 – TRANSFER BETWEEN FEDERAL PROGRAMS

During 2022, the County made allowable transfers of $422,337 from the Temporary Assistance for Needy Families (93.558) program to the Social Services Block Grant (93.667) program. The amount reported for the Temporary Assistance for Needy Families program on the Schedule excludes the amount transferred to the Social Services Block Grant program. The amount transferred to the Social Services Block Grant program is included in the federal program expenditures for these programs when disbursed. The following table shows the gross amount drawn for the Temporary Assistance for Needy Families program during 2022 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	$5,832,911
Social Services Block Grant	(422,337)
Total Temporary Assistance for Needy Families	**$5,410,574**

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

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 aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of the Allen County, (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 7, 2023, wherein we noted the County reevaluated the activity of the investment trust funds. We also noted the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the County. Our report includes a reference to other auditors who audited the financial statements of the component unit, LODDI, Inc., as described in our report on the County's financial statements. The financial statements of LODDI, Inc. were not audited in accordance with *Governmental Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance or other matters associated with the component unit LODDI, Inc. or that are reported on separately by those auditors who audited the financial statements of the component unit LODDI, Inc.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

November 7, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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

Allen County
301 North Main Street
Lima, Ohio 45801

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Allen County, (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of Allen County's major federal programs for the year ended December 31, 2022. Allen County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

Qualified Opinion on Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (AL #14.228) and 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 the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii and Coronavirus State and Local Fiscal Recovery Funds major federal programs for the year ended December 31, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Allen County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended December 31, 2022.

Basis for Qualified and Unmodified Opinions

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

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

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

As described in findings 2022-001 and 2022-002 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
2022-001	14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Reporting
2022-002	21.027	Coronavirus State and Local Fiscal Recovery	Procurement

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

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 2022-001 and 2022-002 to be a 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.

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

Keith Faber
Auditor of State
Columbus, Ohio

November 7, 2023

ALLEN COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified: Water and Waste Disposal Systems for Rural Communities (AL #10.760) Adoption Assistance (AL #93.659) Social Services Block Grant (AL #93.667) Medicaid Cluster (AL #93.778) Qualified: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (AL #14.228) Coronavirus State and Local Fiscal Recovery Funds (AL #21.027)
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes

(d)(1)(vii)	**Major Programs (list):**	Water and Waste Disposal Systems for Rural Communities (AL #10.760) Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (AL #14.228) Coronavirus State and Local Fiscal Recovery Funds (AL #21.027) Social Services Block Grant (AL #93.667) Adoption Assistance (AL #93.659) Medicaid Cluster (AL #93.778)
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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 2022-001

Noncompliance/Material Weakness

Finding Number:	2022-001
Assistance Listing Number and Title:	AL #14.228 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
Federal Award Identification Number / Year:	2022
Federal Agency:	U.S. Department of Housing and Urban Development
Compliance Requirement:	Reporting
Pass-Through Entity:	Ohio Department of Development
Repeat Finding from Prior Audit?	No

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

**FINDING NUMBER 2022-001
(Continued)**

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

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

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

The County submitted Status Reports; however, three out of six (fifty percent) Status Reports were submitted between three to six months late and for one out of six (sixteen percent) Status Reports the receipts and expenditures did not agree to the County records.

Reporting errors could adversely affect future grant awards.

A control system and/or additional procedures should be implemented to help ensure required reports are accurately prepared and submitted in a timely manner.

OFFICIALS' RESPONSE: Regional Planning Commission faced challenges with finding experienced, qualified staffing of leadership and fiscal positions in 2022. New staff was hired in 2023, and all requirements for grant reporting and fiscal oversight are expected to be met for 2023.

FINDING NUMBER 2022-002

Noncompliance/Material Weakness

Finding Number:	2022-002
Assistance Listing Number and Title:	AL #21.027 - Coronavirus State and Local Fiscal Recovery Funds
Federal Award Identification Number / Year:	2022
Federal Agency:	U.S. Department of the Treasury
Compliance Requirement:	Procurement
Pass-Through Entity:	N/A
Repeat Finding from Prior Audit?	No

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

2 CFR § 200.320, which states, in part, that the non-federal entity must have and use documented procurement procedures, for informal procurement methods which consist of micro-purchases and small purchases.

2 CFR § 200.320(a)(1)(ii) states, in part that micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly.

2 CFR § 200.320(a)(2)(i) states, in part that small purchase procedures are used for purchases that exceed the micro-purchase amount but do not exceed the simplified acquisition threshold ($250,000). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.

Allen County Uniform Guidance Procurement Policy, Adopted June 18, 2020, Section IV. A, set the micro-purchase level at less than $10,000.

Two of the three expenditures tested, one for Legal fees and one for Antigen Test Kits, from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) grant, exceeded the County's micro-purchase amount of less than $10,000. However, the County did not obtain and document price or rate quotations from adequate number of qualified sources.

Noncompliance with procurement requirements could affect future grant awards.

A control and/or procedures should be implemented to help ensure compliance with procurement requirements.

OFFICIALS' RESPONSE AND AUDITOR OF STATE CONCLUSION: See pages 143 to 146.

Rachael S. Gilroy
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www.allencountyohauditor.com

October 18, 2023

Ohio Auditor of State Attn:
Margaret C. Thobe 88 E
Broad St, Suite 500
Columbus, Ohio 43215

Re: Finding Number 2022-002

Ms. Thobe:

I write in response to your Finding Number 2022-002 dated October 12, 2023 ("Finding"), in which you indicate that the Auditor of State has concerns that Allen County, Ohio, did not meet the requirements for Uniform Guidance requirements imposed under the American Rescue Plan Act ("ARPA"). The purpose of this letter is to provide you with a background of the relevant procurement processes and provide additional information regarding Allen County, Ohio's compliance with Uniform Guidance, specifically under 2 CFR 200.320(a)(2).

Please note the Board of County Commissioners of Allen County, Ohio (the "County") has been, and continues to be, represented by the law firm Bricker Graydon LLP, f.k.a. Bricker & Eckler LLP, as to the County's eligible uses of ARPA State and Local Fiscal Recovery Funds.

Your Finding calls out the County's use of Local Fiscal Recovery Funds for reimbursement for COVID- related medical testing equipment and test kits ("COVID Reimbursement") and the legal services provided by Bricker Graydon LLP relating to our ARPA funds deployment ("Legal and Consulting Services"). Specifically, the County did not obtain and document price or rate quotations from adequate number of qualified sources in its use of ARPA Local Fiscal Recovery Funds for the COVID Reimbursement and Legal and Consulting Services.

As you indicated in your email, Section IV(A) of the Allen County Uniform Guidance Procurement Policy, Adopted June 18, 2020, sets the micro-purchase level at less than $10,000.

Your Finding's called-out uses of ARPA funds (for the COVID Reimbursement and Legal and Consulting Services) occurred under the simplified acquisition threshold of $250,000, thereby requiring the use of small purchase procedures under 2 CFR 200.320(a)(2).

Uniform Guidance Requirements for Small Purchase Procedures Under 2 CFR 200.320(a)(2):

Purchases by a non-Federal entity that exceeds the *mirco-purchase threshold,* but is less than the *simplified acquisition threshold,* are subject to the small purchase procedures set for the in 2 CFR 200.320(a)(2). To comply with the small purchase procedures, **a non-Federal entity may procure items**

items or services by obtaining an adequate number quotes from qualified sources *as determined appropriate by the non-Federal entity (here, the County).*

Specifically, 2 CFR 200.320(a)(2)(i) states:

> The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an ***adequate number of qualified sources as determined appropriate by the non-Federal entity.*** [Emphasis added.]

It should be noted that 2 CFR 200.320(a)(2)(i) does not state an exact number of price or rate quotations that must be obtained, it only states that an "adequate" amount as determined by the non-Federal entity. Further, 2 CFR does not define the word "adequate", which is the operating word under 2 CFR 200.320(a)(2)(i). Accordingly, in order to determine what is required to comply 2 CFR 200.320(a)(2)(i), one must tum to the definition of "adequate", which is defined as "sufficient for a specific need or requirement."[1] Lastly, 2 CFR 200.320(a)(2)(i) states that the non- Federal entity determines what the adequate number of qualified sources is, or in other words, it leaves to the discretion of the non-Federal entity to determine the "adequate" number of qualified sources. Therefore, the County, as the non-Federal entity under 2 CFR 200.320(a)(2)(i), must obtain a number of price and/or rate quotations that it determines sufficient for the specific need or requirement of the purchase, in order to comply with 2 CFR 200.320(a)(2)(i).

Background of the Procurement of the COVID Reimbursement:

The County identified a need to obtain COVID related medical testing equipment and test kits and solicited a proposal from Test Kits at Home, LLC. As mentioned above, in order to comply with 2 CFR 200.320, the County as the non-Federal entity must have obtained price or rate quotations from an adequate number of qualified sources as determined appropriate by the non-Federal entity, given the purchase price exceeded the mirco-purchase threshold (but was less than the simplified acquisition threshold).

Here, the County determined it was adequate to obtain one pricing proposal for its need to *immediately* provide test kits during the Covid-19 pandemic.

It should be further noted that ARPA funds were used to reimburse this purchase as authorized under the ARPA's so-called 3rd bucket of eligibility (i.e., for the provision of government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency). As you are no doubt well aware, 3rd bucket-based eligible purchases are not subject to the Methods of Procurement under 2 CPR

200.320. Therefore, the County did not have to comply with 2 CFR 200.320 for the purchase of COVID-related medical testing equipment and test kits, and yet still complied with Uniform Guidance under 2 CFR 200.320(a)(2)(i) as described herein.

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1 Merriam-Webster. (n.d.). *Adequate definition & meaning.* Merriam-Webster. https://www.merriam-webster.com/dictionary/adequate

Background of the Procurement of Legal and Consulting Services:

The County identified a need to obtain legal consulting services in regard to advising on ARPA regulations and compliance. As mentioned above, in order to comply with 2 CFR 200.320, the non-Federal entity must obtain price or rate quotations from an adequate number of qualified sources as determined appropriate by the non-Federal entity given the purchase price exceeds the mirco-purchase threshold (but is less than the simplified acquisition threshold).

Here, the County obtained one proposal from Bricker Graydon LLP, f.k.a. Bricker & Eckler LLP and determined that it was adequate, as it was sufficient for its need to advise the County on its ARPA funding and expenditures. Based on our conversations with similarly situated counties across Ohio, Bricker Graydon LLP is viewed in the marketplace as the foremost expert in contracting and federal funding (including ARPA) for public entities in the State. Further, the procedure in which Bricker Graydon LLP was selected was in accordance with the County's previous procurements oflegal counsel services and consistent with ORC 307.86, which expressly excludes the procurement of attorneys at law from competitive procurement. These factors support our determination of the adequate number of qualified sources for the procurement of the above-referenced legal services, and therefore complied with Uniform Guidance under 2 CFR 200.320(a)(2)(i).

We understand there are concerns related to the Expenditures and Allen County's Uniform Guidance Procurement Policy, dated June 18, 2020. The County will review and revise, as necessary, the Policy to be more in-line with the Uniform Guidance.

We believe these background explanations should alleviate any concerns over the procurement processes for COVID Reimbursement and Legal and Consulting Services.

Very truly yours,

ALLEN COUNTY AUDITOR

Enclosures

cc: Kelli Singhaus, Board of County Commissioners, Allen County, Ohio (via email) Mark Evans, P.E., Bricker Graydon LLP (vi email)
Joe Riley, P.E., Bricker Graydon LLP (via email) Jeffry Harris, Bricker Graydon LLP (via email) Leah Thorsen, Bricker Graydon LLP (via email)

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AUDITOR OF STATE CONCLUSION

Since the Legal Fees were purchased from the administrative costs bucket and the Antigen Test Kits were purchased from public health/economic response bucket, the County was required to obtain price or rate quotations from an adequate number of qualified sources as determined by the County. The word "sources" in 2 CFR § 200.320(a)(2)(i) implies more than one source. While the Ohio Revised Code excludes the procurement of legal services from competitive procurement, Uniform Guidance does not exclude legal services from competitive procurement.

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2022

Finding Number: 2022-001

Planned Corrective Action: Proper Procedures Ensuring Timely and Accurate Grant Reporting by RPC

Regional Planning Commission (RPC) has hired a new Executive Director effective March, 2023. RPC also hired a new Finance Director effective September, 2023, who is experienced in public finance and general reporting requirements. Both staff members are dedicated to ensuring proper procedures and performance going forward. Both staff members will review and sign off on the timely and accurate filing of all grant reporting documentation and requirements.

Anticipated Completion Date: Immediate

Responsible Contact Person: Rachael Gilroy, Allen County Auditor
Tara Reynolds Bales, Executive Director, RPC

Rachael S. Gilroy
Allen County Auditor
301 N. Main Street
Lima, OH 45801
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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2022

Finding Number: 2022-002

Planned Corrective Action: Will follow Ohio statutes and Uniform Guidance rules

The County will review and revise, as necessary, the Policy to be more-in-line with the Uniform Guidane

Anticipated Completion Date: Immediate

Responsible Contact Person: Rachael Gilroy, Allen County Auditor

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 11/21/2023