



OHIO AUDITOR OF STATE  
**KEITH FABER**





**CLINTON COUNTY  
DECEMBER 31, 2021**

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CLINTON COUNTY  
DECEMBER 31, 2021

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Clinton County  
1850 David's Drive  
Wilmington, Ohio 45177

To the County Commissioners:

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Clinton County, Ohio (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County, as of December 31, 2021, and the respective changes in cash-basis financial position thereof and the respective budgetary comparisons for the General, Motor Vehicle and Gasoline Tax, Board of Developmental Disabilities, and JFS Children's Services funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter - Accounting Basis***

Ohio Administrative Code § 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during 2021, the County has elected to change its financial presentation to a cash basis of accounting comparable to the requirements of *Governmental Accounting Standards*. 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 the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible 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.

### ***Supplementary Information***

Our audit was conducted to opine on the financial statements as a whole 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 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 to 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, this schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 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  
September 20, 2023

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**Clinton County, Ohio**  
*Statement of Net Position - Cash Basis*  
*December 31, 2021*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Port Authority
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 60,125,149	\$ 578,011	\$ 60,703,160	\$ 8,004,242
Cash and Cash Equivalents with Fiscal Agents	2,502,410	-	2,502,410	-
<i>Total Assets</i>	<u>\$ 62,627,559</u>	<u>\$ 578,011</u>	<u>\$ 63,205,570</u>	<u>\$ 8,004,242</u>
<b>Net Position</b>				
Restricted for:				
Capital Projects	\$ 12,456,297	\$ -	\$ 12,456,297	\$ -
Debt Service	3,973	-	3,973	-
Public Security Programs	703,291	-	703,291	-
General Government	5,932,632	-	5,932,632	-
Health Programs	8,743,939	-	8,743,939	-
Transportation Projects	5,474,554	-	5,474,554	-
Public Services	4,287,116	-	4,287,116	-
Economic Development	72,220	-	72,220	-
Other Purposes	21,679	-	21,679	62,020
Unrestricted	24,931,858	578,011	25,509,869	7,942,222
<i>Total Net Position</i>	<u>\$ 62,627,559</u>	<u>\$ 578,011</u>	<u>\$ 63,205,570</u>	<u>\$ 8,004,242</u>

See accompanying notes to the cash financial statements.

**Clinton County, Ohio**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2021*

	Program Receipts				Net (Disbursements) Receipts and Changes in Net Position			
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Primary Government		Component Unit	
					Governmental Activities	Business-Type Activities	Total	Port Authority
<b>Governmental Activities</b>								
<b>General Government</b>								
Legislative and Executive	\$ 7,402,219	\$ 2,623,587	\$ 59,009		\$ (4,719,623)	\$ -	\$ (4,719,623)	\$ -
Judicial	3,912,844	322,585	629,716	-	(2,960,543)	-	(2,960,543)	-
Public Safety	6,764,718	1,632,972	225,927	-	(4,905,819)	-	(4,905,819)	-
Public Works	4,556,120	808,571	5,431,976	-	1,684,427	-	1,684,427	-
Health	3,685,011	602,938	540,825	-	(2,541,248)	-	(2,541,248)	-
Human Services	9,989,524	407,664	6,732,943	-	(2,848,917)	-	(2,848,917)	-
Economic Development	424,585	-	416,397	-	(8,188)	-	(8,188)	-
Capital Outlay	5,610,349	-	-	1,936,741	(3,673,608)	-	(3,673,608)	-
Debt Service:								
Principal Retirements	780,000	-	-	-	(780,000)	-	(780,000)	-
Interest and Fiscal Charges	132,708	-	-	-	(132,708)	-	(132,708)	-
<i>Total Governmental Activities</i>	<u>43,258,078</u>	<u>6,398,317</u>	<u>14,036,793</u>	<u>1,936,741</u>	<u>(20,886,227)</u>	<u>-</u>	<u>(20,886,227)</u>	<u>-</u>
<b>Business-Type Activities</b>								
Sewer	116,341	286,349	-	-	-	170,008	170,008	-
<i>Total Primary Government</i>	<u>\$ 43,374,419</u>	<u>\$ 6,684,666</u>	<u>\$ 14,036,793</u>	<u>\$ 1,936,741</u>	<u>\$ (20,886,227)</u>	<u>\$ 170,008</u>	<u>\$ (20,716,219)</u>	<u>-</u>
<b>Component Units</b>								
Port Authority	12,719,452	13,723,413	205,183	-	-	-	-	1,209,144
Land Reutilization Corporation	-	-	-	-	-	-	-	-
<i>Total Component Units</i>	<u>\$ 12,719,452</u>	<u>\$ 13,723,413</u>	<u>\$ 205,183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,209,144</u>
<b>General Receipts:</b>								
Property Taxes Levied for:								
General Purposes					2,919,110	-	2,919,110	-
Health - County Board of DD					1,548,446	-	1,548,446	-
Human Services - Children Services					2,177,849	-	2,177,849	-
Human Services - Senior Services					1,152,122	-	1,152,122	-
Payments in Lieu of Taxes					805	-	805	-
Sales and Other Taxes					12,400,583	-	12,400,583	-
Grants and Entitlements not Restricted to Specific Programs					2,146,659	-	2,146,659	-
American Rescue Plan Act Funding - Not Restricted					4,075,896	-	4,075,896	-
Proceeds from Sale of Assets					14,752	-	14,752	-
Investment Earnings					331,132	-	331,132	-
Insurance Recoveries					92,836	-	92,836	7,895
Miscellaneous					750,438	7,754	758,192	5,394
<i>Total General Receipts</i>					<u>27,610,628</u>	<u>7,754</u>	<u>27,618,382</u>	<u>13,289</u>
Advances					100,000	(100,000)	-	-
<i>Change in Net Position</i>					6,824,401	77,762	6,902,163	1,222,433
<i>Net Position Beginning of Year - Restated (See Note 2S)</i>					<u>55,803,158</u>	<u>500,249</u>	<u>56,303,407</u>	<u>6,781,809</u>
<i>Net Position End of Year</i>					<u>\$ 62,627,559</u>	<u>\$ 578,011</u>	<u>\$ 63,205,570</u>	<u>\$ 8,004,242</u>

See accompanying notes to the cash financial statements.

**Clinton County, Ohio**  
*Statement of Cash Basis Assets and Fund Balance*  
*Governmental Funds*  
*December 31, 2021*

	General	Motor Vehicle and Gasoline Tax	Board of Developmental Disabilities	JFS Children's Services	All Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 16,530,133	\$ 4,407,092	\$ 6,110,530	\$ 2,846,271	\$ 30,231,123	\$ 60,125,149
Cash and Cash Equivalents with Fiscal Agents	-	-	2,502,410	-	-	2,502,410
<i>Total Assets</i>	<u>\$ 16,530,133</u>	<u>\$ 4,407,092</u>	<u>\$ 8,612,940</u>	<u>\$ 2,846,271</u>	<u>\$ 30,231,123</u>	<u>\$ 62,627,559</u>
<b>Fund Balances</b>						
Nonspendable	\$ 119,617	\$ -	\$ -	\$ -	\$ -	\$ 119,617
Restricted	-	4,407,092	8,612,940	2,846,271	9,497,839	25,364,142
Committed	605,253	-	-	-	17,032,820	17,638,073
Assigned	3,364,829	-	-	-	3,700,464	7,065,293
Unassigned	12,440,434	-	-	-	-	12,440,434
<i>Total Fund Balances</i>	<u>\$ 16,530,133</u>	<u>\$ 4,407,092</u>	<u>\$ 8,612,940</u>	<u>\$ 2,846,271</u>	<u>\$ 30,231,123</u>	<u>\$ 62,627,559</u>

See accompanying notes to the cash financial statements.

**Clinton County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2021*

	General	Motor Vehicle and Gasoline Tax	Board of Developmental Disabilities	JFS Children's Services	All Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property Taxes	\$ 2,919,110	\$ -	\$ 1,548,446	\$ 2,177,849	\$ 1,152,122	\$ 7,797,527
Sales Taxes	12,320,525	-	-	-	-	12,320,525
Other Local Taxes	-	80,058	-	-	-	80,058
Special Assessments	-	-	-	-	115,605	115,605
Charges for Services	1,598,088	411,598	215,365	56,206	1,636,975	3,918,232
Licenses and Permits	1,533,486	-	219,456	-	22,066	1,775,008
Fines and Forfeitures	110,088	92,317	-	-	83,351	285,756
Intergovernmental	2,146,659	5,255,695	537,696	2,982,110	11,052,439	21,974,599
Interest	331,132	47,048	-	-	1,278	379,458
Rent	372,521	-	46,800	-	-	419,321
Contributions and Donations	200	-	-	-	57,359	57,559
Payments in Lieu of Taxes	-	805	-	-	-	805
Other	238,856	23,927	412,514	688	74,453	750,438
<i>Total Receipts</i>	<u>21,570,665</u>	<u>5,911,448</u>	<u>2,980,277</u>	<u>5,216,853</u>	<u>14,195,648</u>	<u>49,874,891</u>
<b>Disbursements</b>						
Current:						
General Government						
Legislative and Executive	6,616,643	-	-	-	785,576	7,402,219
Judicial	3,251,848	-	-	-	660,996	3,912,844
Public Safety	6,345,966	-	-	-	418,752	6,764,718
Public Works	-	4,221,445	-	-	334,675	4,556,120
Health	8,692	-	3,517,840	-	158,479	3,685,011
Human Services	333,452	-	-	4,490,024	5,166,048	9,989,524
Economic Development and Assistance	-	-	-	-	424,585	424,585
Capital Outlay	393,961	944,693	-	-	4,271,695	5,610,349
Debt Service:						
Principal Retirement	-	-	-	-	780,000	780,000
Interest and Fiscal Charges	-	-	-	-	132,708	132,708
<i>Total Disbursements</i>	<u>16,950,562</u>	<u>5,166,138</u>	<u>3,517,840</u>	<u>4,490,024</u>	<u>13,133,514</u>	<u>43,258,078</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,620,103</u>	<u>745,310</u>	<u>(537,563)</u>	<u>726,829</u>	<u>1,062,134</u>	<u>6,616,813</u>
<b>Other Financing Sources (Uses)</b>						
Insurance Recoveries	-	92,836	-	-	-	92,836
Proceeds from Sale of Assets	14,516	-	236	-	-	14,752
Other Financing Sources	-	-	-	-	1,814,000	1,814,000
Other Financing Uses	-	-	-	-	(1,814,000)	(1,814,000)
Transfers In	637,357	-	-	4,172	13,070,000	13,711,529
Transfers Out	(13,000,000)	-	(70,000)	-	(641,529)	(13,711,529)
Advances In	100,000	-	-	-	52,500	152,500
Advances Out	(52,500)	-	-	-	-	(52,500)
<i>Total Other Financing Sources (Uses)</i>	<u>(12,300,627)</u>	<u>92,836</u>	<u>(69,764)</u>	<u>4,172</u>	<u>12,480,971</u>	<u>207,588</u>
<i>Net Change in Fund Balance</i>	<u>(7,680,524)</u>	<u>838,146</u>	<u>(607,327)</u>	<u>731,001</u>	<u>13,543,105</u>	<u>6,824,401</u>
<i>Fund Balance Beginning of Year - Restated (See Note 2S)</i>	<u>24,210,657</u>	<u>3,568,946</u>	<u>9,220,267</u>	<u>2,115,270</u>	<u>16,688,018</u>	<u>55,803,158</u>
<i>Fund Balance End of Year</i>	<u>\$ 16,530,133</u>	<u>\$ 4,407,092</u>	<u>\$ 8,612,940</u>	<u>\$ 2,846,271</u>	<u>\$ 30,231,123</u>	<u>\$ 62,627,559</u>

See accompanying notes to the cash financial statements.

**Clinton County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes*  
*In Cash Basis Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Receipts</b>				
Property Taxes	\$ 2,911,420	\$ 2,911,457	\$ 2,903,736	\$ (7,721)
Sales Taxes	10,800,000	11,827,594	12,320,525	492,931
Charges for Services	884,058	912,075	912,075	-
Licenses and Permits	1,135,300	1,477,134	1,477,134	-
Fines and Forfeitures	66,000	110,088	110,088	-
Intergovernmental	1,161,361	2,137,079	2,137,079	-
Interest	240,700	331,070	331,070	-
Rent	281,236	372,521	372,521	-
Contributions and Donations	-	200	200	-
Other	66,117	210,149	210,149	-
<i>Total Receipts</i>	17,546,192	20,289,367	20,774,577	485,210
<b>Disbursements</b>				
Current:				
General Government				
Legislative and Executive	6,221,377	7,198,827	6,573,622	625,205
Judicial	3,297,228	3,617,285	3,288,735	328,550
Public Safety	6,203,187	6,343,578	6,008,716	334,862
Human Services	384,972	406,166	342,237	63,929
Capital Outlay	177,117	352,624	352,624	-
<i>Total Disbursements</i>	16,283,881	17,918,480	16,565,934	1,352,546
<i>Excess of Receipts Over (Under) Disbursements</i>	1,262,311	2,370,887	4,208,643	1,837,756
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Assets	-	14,516	14,516	-
Advances In	100,000	100,000	100,000	-
Transfers In	-	637,357	637,357	-
Transfers Out	(185,000)	(13,185,000)	(13,185,000)	-
Advances Out	-	(57,500)	(52,500)	5,000
<i>Total Other Financing Sources (Uses)</i>	(85,000)	(12,490,627)	(12,485,627)	5,000
<i>Net Change in Fund Balance</i>	1,177,311	(10,119,740)	(8,276,984)	1,842,756
<i>Fund Balance Beginning of Year</i>	15,366,402	15,366,402	15,366,402	-
Prior Year Encumbrances Appropriated	360,555	360,555	360,555	-
<i>Fund Balance End of Year</i>	\$ 16,904,268	\$ 5,607,217	\$ 7,449,973	\$ 1,842,756

See accompanying notes to the cash financial statements.

**Clinton County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes*  
*In Cash Basis Fund Balance - Budget and Actual (Budget Basis)*  
*Motor Vehicle and Gasoline Tax Fund*  
*For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Receipts</b>				
Charges for Services	\$ 272,000	\$ 411,598	\$ 411,598	\$ -
Fines and Forfeitures	65,200	92,317	92,317	-
Intergovernmental	4,657,500	5,250,293	5,255,695	5,402
Interest	36,300	47,048	47,048	-
Payments in Lieu of Taxes	-	805	805	-
Other Local Taxes	64,000	80,058	80,058	-
Other	5,000	23,927	23,927	-
<i>Total Receipts</i>	5,100,000	5,906,046	5,911,448	5,402
<b>Disbursements</b>				
Current:				
Public Works	6,426,208	6,408,017	4,380,277	2,027,740
Capital Outlay	1,120,500	1,399,921	1,173,408	226,513
<i>Total Disbursements</i>	7,546,708	7,807,938	5,553,685	2,254,253
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,446,708)	(1,901,892)	357,763	2,259,655
<b>Other Financing Sources (Uses)</b>				
Insurance Recoveries	-	92,836	92,836	-
<i>Net Change in Fund Balance</i>	(2,446,708)	(1,809,056)	450,599	2,259,655
<i>Fund Balance Beginning of Year</i>	3,444,861	3,444,861	3,444,861	-
Prior Year Encumbrances Appropriated	124,085	124,085	124,085	-
<i>Fund Balance End of Year</i>	\$ 1,122,238	\$ 1,759,890	\$ 4,019,545	\$ 2,259,655

See accompanying notes to the cash financial statements.

**Clinton County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes*  
*In Cash Basis Fund Balance - Budget and Actual (Budget Basis)*  
*Board of Developmental Disabilities Fund*  
*For the Year Ended December 31, 2021*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Receipts</b>				
Property Taxes	\$ 1,512,836	\$ 1,512,836	\$ 1,536,915	\$ 24,079
Charges for Services	187,491	187,491	215,365	27,874
Licenses and Permits	220,000	220,000	219,456	(544)
Intergovernmental	427,213	427,213	537,696	110,483
Rent	46,800	46,800	46,800	-
Other	216,693	216,693	412,514	195,821
<i>Total Receipts</i>	<u>2,611,033</u>	<u>2,611,033</u>	<u>2,968,746</u>	<u>357,713</u>
<b>Disbursements</b>				
Current:				
Health	4,433,192	4,485,505	3,834,231	651,274
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,822,159)</u>	<u>(1,874,472)</u>	<u>(865,485)</u>	<u>1,008,987</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Assets	500	500	236	(264)
Transfers In	1,000	1,000	1,000	-
Transfers Out	(71,000)	(71,000)	(71,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(69,500)</u>	<u>(69,500)</u>	<u>(69,764)</u>	<u>(264)</u>
<i>Net Change in Fund Balance</i>	(1,891,659)	(1,943,972)	(935,249)	1,008,723
<i>Fund Balance Beginning of Year</i>	6,521,519	6,521,519	6,521,519	-
Prior Year Encumbrances Appropriated	150,073	150,073	150,073	-
<i>Fund Balance End of Year</i>	<u>\$ 4,779,933</u>	<u>\$ 4,727,620</u>	<u>\$ 5,736,343</u>	<u>\$ 1,008,723</u>

See accompanying notes to the cash financial statements.

**Clinton County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes*  
*In Cash Basis Fund Balance - Budget and Actual (Budget Basis)*  
*JFS Children's Services*  
*For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<b>Receipts</b>				
Property Taxes	\$ 2,140,534	\$ 2,140,534	\$ 2,162,475	\$ 21,941
Charges for Services	14,000	14,000	56,206	42,206
Intergovernmental	2,386,538	2,386,538	2,982,110	595,572
Other	15,000	15,000	688	(14,312)
<i>Total Receipts</i>	<u>4,556,072</u>	<u>4,556,072</u>	<u>5,201,479</u>	<u>645,407</u>
<b>Disbursements</b>				
Current:				
Human Services	<u>4,525,276</u>	<u>4,905,276</u>	<u>4,490,024</u>	<u>415,252</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>30,796</u>	<u>(349,204)</u>	<u>711,455</u>	<u>1,060,659</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	<u>-</u>	<u>-</u>	<u>4,172</u>	<u>4,172</u>
<i>Net Change in Fund Balance</i>	30,796	(349,204)	715,627	1,064,831
<i>Fund Balance Beginning of Year</i>	<u>2,052,427</u>	<u>2,052,427</u>	<u>2,052,427</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,083,223</u>	<u>\$ 1,703,223</u>	<u>\$ 2,768,054</u>	<u>\$ 1,064,831</u>

See accompanying notes to the cash financial statements.



**Clinton County, Ohio**  
*Statement of Fund Net Position - Cash Basis*  
*Proprietary Funds*  
*December 31, 2021*

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	<u>Enterprise Fund</u> Martinsville- Midland Sewer
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 578,011
<b>Net Position</b>	
Unrestricted	\$ 578,011

See accompanying notes to the cash financial statements.

**Clinton County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes in Fund Net Position - Cash Basis*  
*Proprietary Funds*  
*For the Year Ended December 31, 2021*

	Enterprise Fund	
	Martinsville-	
	Midland	
	Sewer	
		.
<b>Operating Receipts</b>		
Charges for Services	\$ 286,349	
Other	7,754	
<i>Total Operating Receipts</i>	<u>294,103</u>	.
<b>Operating Disbursements</b>		
Personal Services	29,372	
Contractual Services	84,797	
Materials and Supplies	2,172	
<i>Total Operating Disbursements</i>	<u>116,341</u>	.
<i>Operating Income (Loss)</i>	<u>177,762</u>	.
<b>Non-Operating Receipts (Disbursements)</b>		
Advance Out	<u>(100,000)</u>	
<i>Change in Net Position</i>	77,762	
<i>Net Position Beginning of Year - Restated (See Note 2S)</i>	<u>500,249</u>	.
<i>Net Position End of Year</i>	<u>\$ 578,011</u>	:

See accompanying notes to the cash financial statements.

**Clinton County, Ohio**  
*Statement of Fiduciary Net Position - Cash Basis*  
*Fiduciary Funds*  
*December 31, 2021*

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	<u>Custodial Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 5,481,459
Cash and Cash Equivalents in Segregated Accounts	<u>562,385</u>
<i>Total Assets</i>	<u>6,043,844</u>
<b>Net Position</b>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 6,043,844</u>

See accompanying notes to the cash financial statements.

**Clinton County, Ohio**  
*Statement of Changes in Fiduciary Net Position - Cash Basis*  
*Fiduciary Funds*  
*For the Year Ended December 31, 2021*

	Custodial Funds
<b>Additions</b>	
Intergovernmental	\$ 2,230,500
Amounts Received as Fiscal Agent	3,360,087
Licenses, Permits & Fees for Other Governments	11,454,902
Fines & Forfeitures for Other Governments	527,785
Property Tax Collections for Other Governments	35,921,481
Sheriff Sale Collections for Other Governments	1,033,130
Amounts Received for Others	126,319
<i>Total Additions</i>	54,654,204
<b>Deductions</b>	
Distributions as Fiscal Agent	3,268,722
Distributions of State Funds to Other Governments	2,230,500
Licenses, Permits & Fee Distributions to Other Governments	11,222,018
Fines & Forfeitures Distributions to Other Governments	655,822
Property Tax Distributions to Other Governments	35,658,402
Sheriff Sale Distributions to Other Governments	1,023,126
Other Distributions	128,811
<i>Total Deductions</i>	54,187,401
<i>Change in Net Position</i>	466,803
<i>Net Position Beginning of Year - Restated (See Note 2S)</i>	5,577,041
<i>Net Position End of Year</i>	\$ 6,043,844

See accompanying notes to the cash financial statements.

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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**NOTE 1 – REPORTING ENTITY**

Clinton County, Ohio (the “County”) was created in 1812. The County is governed by a Board of three commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body, and the chief administrators of public services for the County. Other officials elected by the voters of the County that manage various segments of the County’s operations are: the county auditor, county treasurer, recorder, clerk of courts, coroner, engineer, prosecuting attorney, sheriff, two common pleas court judges, a probate court judge and a county municipal court judge.

The County utilizes the standards of Government Accounting Standards Board (GASB) Statement 14 for determining the reporting entity, as well as GASB Statement 39, Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement 14 and GASB Statement 61, The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34. 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. 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 organizations' 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 organizations' 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 their budget, the issuance of their debt or the levying of their taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the financial statements incomplete or misleading.

Based on the foregoing criteria, the financial activities of the following entities have been reflected in the accompanying basic financial statements as:

***Blended Component Units***

Certain funds are legally separate from the County; however, their activity is so intertwined with that of the County that they are reported as part of the County. The following fund has been included or blended into the County's basic financial statements:

***Local Emergency Planning Commission (LEPC)*** - The LEPC is a legally separate entity from the County. The County Commissioners do not appoint a voting majority of the LEPC’s Board. The LEPC is fiscally independent from the County; however, it would be misleading to exclude the LEPC’s operations from that of the County since the LEPC provides services entirely for the benefit of the County. The operations of the LEPC are accounted for as a separate special revenue fund.

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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***Discretely Presented Component Units***

***Clinton County Port Authority*** - The Clinton County Port Authority (the “Port Authority”) was created by the Clinton County Board of Commissioners in September 2004 to enhance economic development in Clinton County. The Port Authority is created in accordance with Section 4582.22 of the Ohio Revised Code. The purpose of the Port Authority is to undertake projects that create or preserve jobs and employment opportunities; that improve and sustain the economic welfare of Clinton County and its residents, and that enhance, aid and promote transportation, housing, recreation, education, governmental operations and culture within the territory served. The Port Authority is considered a component unit of the County as the County can impose its will on the Port Authority through the appointment of the members of the Board of Directors.

***Clinton County Land Reutilization Corporation (Corporation)*** - The Corporation is a county land reutilization corporation that was formed when the Clinton County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing economically non-productive land throughout the County. The Corporation can potentially address parcels where the fair market value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return properties to productive use. The Corporation has been designated as the County’s agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Board of Directors is made up of three elected officials of the County and a representative of City of Wilmington and the Village of Midland. Separately issued financial statements can be obtained from the Corporation by contacting Clinton County Treasurer, Chairman, Clinton County Land Reutilization Corporation, 69 N South Street, Wilmington, Ohio 45177. The Corporation is not presented on the financial statements for year end 2021.

***Clinton County Regional Airport Authority (the Authority)*** – The Authority is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Clinton County Commissioners appoint a seven-member Board to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the Clinton County Regional Airport Authority. Separately issued financial statements can be obtained from the Authority by contacting Clinton Commissioners, Clinton County Regional Airport Authority, 1581 N Curry Road, Wilmington, Ohio 45177. The Authority is not presented on the financial statements for year end 2021.

***Potential Component Units Reported as Custodial Funds***

In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent and custodian, but is not accountable as defined in GASB Statement No. 14; therefore, the operations of the following potential component units have been excluded from the County’s basic financial statements, but the funds held on behalf of these potential component units in the County Treasury are included in the custodial funds.

*Clinton County Soil and Water Conservation District*  
*Clinton County Board of Health*

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further under Basis of Accounting, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the County's accounting policies.

**A. Basis of Presentation**

**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 and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the County at year end. The statement of activities compares disbursements and program receipts for each program or function of the County's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts 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 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.

Proprietary funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating receipts of the County's proprietary funds are charges for services. All receipts and disbursements not meeting these definitions are reported as nonoperating receipts and disbursements.

**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. There are three categories of funds: governmental, proprietary and fiduciary.

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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**Governmental** - Governmental funds are those through which most governmental functions typically are financed. The following are the County's major governmental funds:

**General** - The General fund is used to account for and report all financial resources not accounted for and reported in another fund. The General fund balance is available for any purpose provided it is disbursed or transferred according to the general laws of Ohio.

**Motor Vehicle and Gas Tax** - This fund accounts for monies received by the County for State gasoline tax and vehicle registration fees used for County road and bridge maintenance, construction and improvements.

**County Board of Developmental Disabilities (DD)** - This fund accounts for the operation of a school and the costs of administering a workshop for the developmentally disabled. Receipt sources include a countywide property tax levy and Federal and State grants.

**JFS Children Services** - This fund accounts for a County-wide property tax levy, Federal and State grants, support collections, Veteran's Administration and Social Security. Major disbursements are for foster homes, emergency shelters, medical care, school supplies, counseling and parental training.

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

**Proprietary Funds** - Proprietary funds are used to account for the County's ongoing activities which are similar to those found in the private sector. The following is the County's proprietary fund type:

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

**Martinsville-Midland Sewer** - This fund accounts for the operations of the Martinsville-Midland Sewer.

**Fiduciary Funds** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County's custodial funds account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, state-levied shared receipts, and fines and forfeitures collected and distributed to other political subdivisions.

### **C. Basis of Accounting**

The County's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in this note.



**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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As a result of the use of this cash basis of accounting, certain assets and deferred outflows of resources and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and deferred inflows of resources and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

***D. Budgetary Data***

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than custodial funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners.

Budgetary information for certain funds is not reported because it is not included in the entity for which the “appropriated budget” is adopted and separate budgetary financial records are not maintained.

***Tax Budget*** - A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except custodial funds, are legally required to be budgeted. The purpose of the Tax Budget is to reflect the need for existing (or increased) tax rates.

***Estimated Resources*** - The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund.

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the County Auditor determines that revenue to be collected will be greater than or less than the prior estimates and the Budget Commission finds the revised estimates to be reasonable. The amounts set forth in the budgetary statements represent estimates from the final amended certificate issued during 2021.

***Appropriations*** - A temporary appropriation resolution to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual Appropriation Resolution must be passed by April 1 of each year for the period January 1 to December 31. The Appropriation Resolution may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The County legally adopted several supplemental appropriations during the year. The original budget and all budgetary amendments and supplemental appropriations necessary during 2021 are included in the final budget amounts in the budget-to-actual comparisons.

***Lapsing of Appropriations*** - At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not reappropriated.

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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***E. Cash and Investments***

To improve cash management, cash received by the County is pooled. Monies for all funds, except for the enterprise fund, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

The County has segregated depository accounts for monies held separately from the County's central bank account. These interest-bearing depository accounts are presented on the financial statements as "cash in segregated accounts" since they are not required to be deposited into the County Treasury.

The County utilized a jointly governed organization (SOCOG) to service developmentally disabled residents within the County. The balance in this account is presented as "cash and cash equivalents with fiscal agents."

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.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

Under existing Ohio statutes all investment earnings are assigned to the General fund unless statutorily required to be credited to a specific fund. Interest receipts credited to the General fund during 2021 amounted to \$331,132 that includes \$260,730 assigned from other County funds.

***F. Inventory and Prepaids***

The County reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

***G. Capital Assets***

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

***H. Interfund Receivables/Payables***

The County reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

***I. Accumulated Leave***

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the County's cash basis of accounting.

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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***J. Pensions/Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension/OPEB liability, 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 plan. 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 plans report investments at fair value.

***K. Long-term Obligations***

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither other financing source nor capital outlay are reported at inception. Lease payments are reported when paid.

***L. Interfund Transactions***

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

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

***M. Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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**Assigned** Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the County Commissioners. County Commissioners have by resolution authorized the County Auditor to assign fund balance. County Commissioners may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The County applies restricted resources first when disbursements are made 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 disbursements are made for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

***N. Budget Stabilization Arrangement***

Pursuant to Ohio Revised Code Section 5705.13, on August 20, 2012, the County established a reserve balance account, in the General fund, in the amount of \$2,103,795, to be used in emergencies for operational disbursements. The balance of the reserve balance account at December 31, 2021 is \$2,000,000. This amount is reported as a component of unassigned fund balance in the General fund and unrestricted net position in the governmental activities.

***O. Net Position***

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

***P. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence. Neither type of transactions occurred during 2021.

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

**Q. Implementation of New Accounting Principles**

For the year ended December 31, 2021, the County has (to the extent it applies to the cash basis of accounting) implemented Governmental Accounting Standards Board (GASB) Statement No. 93, *Replacement of Interbank Offered Rates* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of certain provisions (all except for paragraphs 13 and 14, which are effective for fiscal years beginning after June 15, 2021), of GASB Statement No. 93 did not have an effect on the financial statements of the County.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the County.

**R. Restatement of Net Position/Fund Balance**

The County changed from the accrual basis of accounting to the cash basis of accounting for 2021, resulting in a restatement of the 2020 financial statements. The effect on net position is below:

	Governmental Activities	Business-Type Activities
Net Position, December 31, 2020	\$ 68,707,375	\$ 4,462,083
Restatement to Convert to Cash basis	(12,904,217)	(3,961,834)
Restated Net Position, December 31, 2020	\$ 55,803,158	\$ 500,249

The change from the accrual basis of accounting to the cash basis of accounting had the following effect on fund balances as reported December 31, 2020:

	General Fund	County Board of DD	Motor Vehicle & Gas Tax	JFS Children Services	Other Governmental Funds	Total
Fund Balances, December 31, 2020	\$ 28,609,781	\$ 9,239,307	\$ 4,809,350	\$ 2,048,061	\$ 16,687,267	\$ 61,393,766
Restatement to Convert to Cash basis	(4,399,124)	(19,040)	(1,240,404)	67,209	751	(5,590,608)
Restated Fund Balances, December 31, 2020	\$ 24,210,657	\$ 9,220,267	\$ 3,568,946	\$ 2,115,270	\$ 16,688,018	\$ 55,803,158

The change from the accrual basis of accounting to the cash basis of accounting had the following effect on fiduciary net position as reported December 31, 2020:

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
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	<u>Fiduciary Funds</u>
	<u>Custodial</u>
Net Position, December 31, 2020	\$ 7,390,801
Restatement to Convert to Cash basis	<u>(1,813,760)</u>
Restated Net Position, December 31, 2020	<u><u>\$ 5,577,041</u></u>

**NOTE 3 - DEPOSITS AND INVESTMENTS**

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

Active deposits are public deposits necessary to meet the current demands on the treasury. Such 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.

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

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

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

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:

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 obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal governmental agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above, and repurchase agreements secured by such obligations, provided that 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;
9. Up to forty percent of the County's average portfolio in either of the following:
  - 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 need exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase;
  - b. Banker's acceptances eligible for purchase by the Federal Reserve System and which mature within 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions that are doing business under authority granted by the U.S. provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
11. No-load money market mutual fund rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency of instrumentality, and/or highly rated commercial paper; and,
12. Up to one 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. All interest and principal shall be denominated and payable in the United States.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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

**A. Deposits**

**Cash on Hand** - At December 31, 2021 the County had \$41,311 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Investments."

**Deposits** - At year-end, \$24,384,849 of the County's bank balance of \$25,450,192 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the County's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

**Custodial Credit Risk** Custodial credit risk for deposits is the risk that in the event of a bank failure, the County will not be able to recover deposits or collateral securities that are in possession of an outside party.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the County and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**Cash and Cash Equivalents in Segregated Accounts** - At year end, the County had \$562,386 in cash and cash equivalents deposited separate from the County's internal investment pool.

**Cash with Fiscal Agent** - At year end, the County had \$2,502,410 in monies held by SOCOG as a fiscal agent. This amount has been excluded from the total amount of deposits below as it is not part of the County's internal investment pool.

**B. Investments**

As of December 31, 2021, the County had the following investments and maturities:



**Clinton County, Ohio**  
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Ratings by S&P Global	Investment	Measurement Amount	Investment Maturity in Months			% Total
			0 - 12	13 -36	Over 36	
Cost:						
N/A	Jefferson Township General Obligation Bonds	\$ 97,500	\$ 15,000	\$ 45,000	\$ 37,500	0.24%
	Washington TWP Bond	20,390	10,094	10,296	-	0.05%
AA+	Federal Farm Credit Bank	7,000,000	-	4,000,000	3,000,000	16.75%
AA+	Federal Home Loan Bank	23,499,475	-	-	23,499,475	56.21%
AA+	Federal National Mortgage Association Notes	8,000,000	-	-	8,000,000	19.14%
A-	Southern Ca Edison Company Bonds	2,016,240	-	2,016,240	-	4.82%
A-	Bank of America Corporation Callable Notes	1,168,284	-	1,168,284	-	2.79%
		<u>\$ 41,801,889</u>	<u>\$ 25,094</u>	<u>\$ 7,239,820</u>	<u>\$ 34,536,975</u>	<u>100.00%</u>

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the County's recurring fair value measurements as of December 31, 2021. The County's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

**Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County's investment policy limits investment portfolio maturities to five years or less.

**Credit Risk:** The County's investment policy does not specifically address credit risk beyond requiring the County to only invest in securities authorized by State statute.

**Concentration of Credit Risk:** The County places no limit on the amount that may be invested in any one issuer. The preceding table includes the percentage of each investment type held by the County at December 31, 2021.

**C. Component Unit**

At December 31, 2021, the carrying amount of the Port Authority's demand deposits was \$8,004,242.

**Clinton County, Ohio**  
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**NOTE 4 - INTERFUND TRANSACTIONS**

**A. Interfund Transfers**

During 2021 the following transfers were made:

Transfer To	Transfer From			Total
	General Fund	County Board of DD	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ 637,357	\$ 637,357
JFS Children Service	-	-	4,172	4,172
Nonmajor governmental funds	13,000,000	70,000	-	13,070,000
Grand Total	<u>\$ 13,000,000</u>	<u>\$ 70,000</u>	<u>\$ 641,529</u>	<u>\$ 13,711,529</u>

Transfers are used to move receipts from the fund that statute or budget required to collect them to the fund that statute or budget requires to disburse them, the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. During 2021, the non-major debt service funds transferred \$270,446 and \$366,911, respectively to the general fund per Ohio revised code 5705.14(C). The general fund transferred \$3,000,000, \$5,000,000 and \$5,000,000 respectively, to non-major capital projects funds for future capital projects. The \$4,172 transfer from the JFS public assistance fund to the JFS children services fund was initiated by the State. The County board of developmental disabilities fund transferred \$70,000 to the County board of developmental disabilities capital projects fund.

**B. Long-Term Loans**

Long-term loans to and from other funds from the General fund to the Martinsville-Midland Sewer fund amount to \$2,381,336 at December 31, 2021. The purpose of the loan was to provide funds to retire the balance of the OPWC loan and USDA bonds issued to finance the construction of Midland sewer. The Martinsville-Midland Sewer fund is scheduled to repay the General fund no less than \$100,000 per year until the General fund has been fully reimbursed for the cost of retiring the debt or upon further resolution by the County Commissioners. The loan is interest-free. The Martinsville-Midland Sewer fund repaid the General fund \$100,000 as scheduled during 2021.

**C. Interfund Advances**

During 2021, the general advanced \$52,500 to the CPC AP opioid response fund to cover disbursements until grant money was received.

**NOTE 5 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the County. Property tax receipts received during 2021 for real and public utility property taxes represents collections of the 2020 taxes.

2020 real property taxes were levied after October 1, 2021 on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2021, was \$10.25 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	
Agricultural/Residential	\$ 838,081,780
Commerical/Industrial/Mineral	174,141,680
Tangible Personal Property	
Public Utility	<u>83,706,860</u>
Total Assessed Value	<u>\$ 1,095,930,320</u>

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the County. The County Auditor periodically remits to the County its portion of the taxes collected.

**NOTE 6 - PERMISSIVE SALES AND USE TAX**

In 1977, the County Commissioners by resolution imposed a 0.5 percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. In 1988 and 2019, the County Commissioners added an additional 0.5 percent tax to the existing tax. Vendor collections of the tax are paid to the State Treasurer by the 23<sup>rd</sup> 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 45 days after the end of the month following collection. The Office of Budget and Management then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General fund. Sales and use tax receipts for 2021 amounted to \$12,320, 525.

**Clinton County, Ohio**  
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**NOTE 7 - LONG-TERM OBLIGATIONS**

***A. Governmental Activities Long-Term Obligations***

During 2021, the following changes occurred in the County’s governmental long-term obligations:

	<u>Balance</u> 12/31/2020	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> 12/31/2021	<u>One</u> <u>Year</u>
<b>Governmental Activities:</b>					
<u>General Obligation Bonds</u>					
Various Purpose Bonds	\$ 3,050,000	\$ -	\$ 575,000	\$ 2,475,000	\$ 590,000
<u>Direct Placement</u>					
Fairground/Public Service Agency Building Refunding Bond	1,555,000	-	205,000	1,350,000	215,000
<i>Total Governmental Activities</i>	<u>\$ 4,605,000</u>	<u>\$ -</u>	<u>\$ 780,000</u>	<u>\$ 3,825,000</u>	<u>\$ 805,000</u>

*General Obligation Bonds:* General obligation bonds are direct obligations of the County for which its full faith and credit are pledged for repayment. Principal and interest payments on the general obligation bonds are made from the debt service funds.

*2016 Various Purpose Bonds:* On March 26, 2016, the County issued general obligation bonds in the amount of \$5,790,000. Proceeds from the bonds were used to renovate the County courthouse. The bonds were issued with a varying interest rate of 2.00-3.00 percent. The bonds were issued for a ten year period with final maturities at December 1, 2025.

*2019 Various Purpose Refunding Bonds:* On March 6, 2019, the County issued \$1,960,000 various purpose refunding bonds with an interest rate of 2.65 percent. The bonds were issued to refund the \$1,900,000 outstanding 2008 various purpose general obligation bonds. The bonds were issued for a nine year period final maturity at December 1, 2027. At the date of refunding, \$1,964,648 (including issuance costs) was received to pay off old debt. As a result, \$1,900,000 of the 2008 Series Bonds are considered to be defeased. The liability of the bonds were removed from the financial statements at the time of the refunding. The defeased bonds were called on June 1, 2019.

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The following is a summary of the County's future principal and interest debt service requirements for the general long-term obligations outstanding:

	Governmental Activities					
	General Obligation Bonds		Direct Placement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 590,000	\$ 74,250	\$ 215,000	\$ 35,775	\$ 805,000	\$ 110,025
2023	610,000	56,550	215,000	30,078	825,000	86,628
2024	630,000	38,250	220,000	24,380	850,000	62,630
2025	645,000	19,350	230,000	18,550	875,000	37,900
2026	-	-	230,000	12,455	230,000	12,455
2027	-	-	240,000	6,360	240,000	6,360
<b>Totals</b>	<b>\$ 2,475,000</b>	<b>\$ 188,400</b>	<b>\$ 1,350,000</b>	<b>\$ 127,598</b>	<b>\$ 3,825,000</b>	<b>\$ 315,998</b>

**B. Component Unit Long-Term Obligations**

During 2021, the following changes occurred in the Port Authority's long-term obligations:

	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021	Due in One Year
Direct Placement:					
Mortgage Loan - Ag Land	\$ 1,022,050	\$ -	\$ 1,022,050	\$ -	\$ -
Unamortized Discount on Loan	(19,249)	-	(19,249)	-	-
OEBF Loan	6,892,501	-	335,833	6,556,668	345,834
166 Loan	3,098,449	-	185,769	2,912,680	187,632
<i>Total Loans Payable</i>	<u>10,993,751</u>	<u>-</u>	<u>1,524,403</u>	<u>9,469,348</u>	<u>533,466</u>
Direct Borrowing:					
Lease-Purchase Agreement	25,444	-	25,444	-	-
<b>Total Long-Term Obligations</b>	<b>\$ 11,019,195</b>	<b>\$ -</b>	<b>\$ 1,549,847</b>	<b>\$ 9,469,348</b>	<b>\$ 533,466</b>

On October 28, 2010, the Port Authority obtained a loan for the purpose of purchasing land. The loan was refinanced on October 28, 2013 in the amount of \$1,234,133. Payments on the loan are due quarterly, with interest at 4.75 percent. The loan matures November 1, 2038.

During 2013, the Port Authority began drawing down on a \$9,055,000 loan obtained from the Ohio Enterprise Bond Fund program (the OEBF loan) for the purpose of constructing a new hangar building. The loan agreement functioned similar to a line-of-credit agreement, and any undisbursed proceeds were held in escrow by a trustee. At December 31, 2014, the Port Authority received the remaining proceeds of the \$9,055,000 loan. The loan requires monthly payments beginning in 2014, including interest at annual rates ranging from 2.0 - 5.0 percent. The final payment is due November 15, 2036. The Port Authority receives rental payments under a lease agreement with Air Transport International LLC (ATI LLC) and Airborne Maintenance and Engineering Services, Inc. (AMES) in an amount sufficient to cover the monthly debt service payments on the loan. The loan and lease payments are guaranteed by Air Transport Services Group, Inc.

**Clinton County, Ohio**  
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In conjunction with the OEBF loan and LDI loan, in 2013 the Port Authority was awarded a \$4,000,000 Ohio Revised Code Chapter 166 loan. The Port Authority received the full amount of the loan proceeds during 2014. Semi-annual payments, including interest at an annual rate of 1 percent, began in May of 2016. The loan is secured with funds derived from a tax increment financing agreement created by the City of Wilmington, Ohio.

On April 26, 2019 The Port Authority entered into a lease-purchase agreement with De Lage Landen Public Finance LLC for a Case IH Farmall tractor. Final payment on the lease-purchase agreement is due April 15, 2021.

In the event of default, as defined by the lease agreement, the amounts payable by the Port Authority may become due. If payments are not made, the lessor may retake possession of the leased property and may sell or sublease the leased property. The lessor may exercise any other rights, remedy or privilege that may be available under the State laws to enforce the terms of the lease or recover damages for the breach of the contract. The Port Authority will be held liable for amounts payable.

The following tables show the future principal and interest payments due on the mortgage loan, OEBF loan, 166 loan and the lease-purchase agreement.

	OEBF Loan		166 Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 345,834	\$ 259,997	\$ 187,632	\$ 35,823	\$ 533,466	\$ 295,820
2023	355,833	249,446	189,513	33,472	545,346	282,918
2024	365,833	237,997	191,413	31,097	557,246	269,094
2025	375,834	226,229	193,331	28,699	569,165	254,928
2026	386,667	213,961	195,270	26,276	581,937	240,237
2027-2031	2,130,834	859,295	1,006,106	94,182	3,136,940	953,477
2032-2036	2,595,833	322,979	949,415	29,866	3,545,248	352,845
Totals	<u>\$ 6,556,668</u>	<u>\$ 2,369,904</u>	<u>\$ 2,912,680</u>	<u>\$ 279,415</u>	<u>\$ 9,469,348</u>	<u>\$ 2,649,319</u>

**NOTE 8 - RISK MANAGEMENT**

**A. General Insurance**

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters.

The County is a member of County Risk Sharing Authority, Inc. (CORSA), which is a shared risk pool of 63 counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the 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. No county may have more than one representative on the board at any one 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.

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
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The County pays the State Workers' Compensation System a premium based on a rate per \$100 of employee compensation. The rate is calculated based on accident history and administrative costs. Settled claims have not exceeded this coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from last year.

***B. Health Care, Vision, Dental and Life Insurance***

The County has elected to provide medical, dental, vision and group life insurance benefit offerings to employees. The County, through CEBCO, a risk-sharing consortium which is part of CCAO, is insured for medical with Anthem Blue Cross as the carrier. The county contracts for a specific premium rate for the year for enrollees (a fully-insured rate). The consortium is self-insured. Dental is a fully-insured product through Superior Dental and vision is a fully-insured product through VSP. Group life is fully insured through AUL (American United Life).

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability (Asset)***

Pensions and OPEB are components of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions and OPEB are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability and the net 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 plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate 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/OPEB 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 all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). 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 liabilities within 30 years. If the 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 health care to eligible benefit recipients.

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The net pension/OPEB liability (asset) are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the pension disclosures. See Note 10 for the OPEB disclosures.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS 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. While members (e.g. County employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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



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

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

When a benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the original base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index (CPI), capped at 3 percent.

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

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

	State and Local	Law Enforcement
<b>2021 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	18.1 %
Employee	10.0 %	**
<b>2021 Actual Contribution Rates</b>		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

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

\*\* 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$2,081,281 for 2021.

***Net Pension Liability***

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

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	OPERS
Proportion of the Net Pension Liability:	
Current Measurement Period	0.102589%
Prior Measurement Period	0.096965%
Change in Proportion	0.005624%
Proportionate Share of the Net Pension Liability	\$ 15,191,197
<b>Component Unit - Port Authority</b>	
	OPERS
Proportion of the Net Pension Liability:	
Current Measurement Period	0.001248%
Prior Measurement Period	0.001109%
Change in Proportion	0.000139%
Proportionate Share of the Net Pension Liability	\$ 184,802

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (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, 2020, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020 are presented below.

<b>Actuarial Information</b>	<b>Traditional Pension Plan</b>
Wage Inflation	3.25 percent
Future Salary Increases, including wage inflation	3.25 percent to 10.75 percent (including wage inflation)
Investment Rate of Return	
Current Measurement Date	7.20 percent
Prior Measurement Date	7.20 percent
Actuarial Cost Method	Individual Entry Age
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3.00 percent Simple Post-1/7/2013 Retirees: 0.50 percent Simple through 2021, then 2.15 percent Simple

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In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

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.

The most recent experience study was completed for the five year period ended December 31, 2015.

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 arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other Investments	9.00	4.75
Total	<u>100.00 %</u>	<u>5.43 %</u>

**Discount Rate** The discount rate used to measure the total pension liability was 7.20 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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***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 discount rate of 7.20 percent and the County's proportionate share of the net pension liability if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net Pension Liability	\$ 28,977,289	\$ 15,191,197	\$ 3,728,084
Component Unit - Port Authority			
	1% Decrease	Current Discount Rate	1% Increase
Port Authority's Proportionate Share of the Net Pension Liability	\$ 352,510	\$ 184,802	\$ 45,352

**NOTE 10 - DEFINED BENEFIT OPEB PLANS**

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

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OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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

Effective January 1, 2022, OPERS will discontinue 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. These changes are reflected in the December 31, 2020, measurement date health care valuation.

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, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become 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 will 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 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, 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 2021 was 4.0 percent.

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County had no contractually required contribution for 2021.

***Net OPEB Liability (Asset)***

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportion of the Net OPEB Liability (Asset):	
Current Measurement Period	0.098836%
Prior Measurement Period	0.093779%
Change in Proportion	0.005057%
Proportionate Share of the Net OPEB Liability (Asset)	\$ (1,760,842)
<b>Component Unit - Port Authority</b>	
	OPERS
Proportion of the Net OPEB Liability (Asset):	
Current Measurement Period	0.002191%
Prior Measurement Period	0.001460%
Change in Proportion	0.000731%
Proportionate Share of the Net OPEB Liability (Asset)	\$ (39,034)

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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Wage Inflation	3.25 percent
Projected Salary Increases, Including Inflation	3.25 to 10.75 percent, including wage inflation
Single Discount Rate:	
Current Measurement Date	6.00 percent
Prior Measurement Date	3.16 percent
Investment Rate of Return:	
Current Measurement Date	6.00 percent
Prior Measurement Date	6.00 percent
Municipal Bond Rate:	
Current Measurement Date	2.00 percent
Prior Measurement Date	2.75 percent
Health Care Cost Trend Rate:	
Current Measurement Date	8.5 percent, initial, 3.50 percent, ultimate in 2035
Prior Measurement Date	10.5 percent, initial, 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

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. Postretirement 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. Postretirement 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.

The most recent experience study was completed for the five year period ended December 31, 2015.

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 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 arithmetic rates of return were provided by OPERS investment consultant.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other Investments	9.00	4.02
<b>Total</b>	<b>100.00 %</b>	<b>4.43 %</b>

**Discount Rate** A single discount rate of 6.00 percent was used to measure the total OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the total OPEB liability on the measurement date of December 31, 2019. 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 2.00 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, 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 Liability (Asset) to Changes in the Discount Rate** The following table presents the County's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent and the County's proportionate share of the net OPEB liability (asset) if it were calculated using a discount rate that is one percent lower (5.00 percent) or one percent higher (7.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	\$ (437,843)	\$ (1,760,842)	\$ (2,848,454)
<b>Component Unit - Port Authority</b>			
	1% Decrease	Current Discount Rate	1% Increase
Port Authority's Proportionate Share of the Net OPEB (Asset)	\$ (9,706)	\$ (39,034)	\$ (63,145)



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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 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 that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	\$ (1,803,757)	\$ (1,760,842)	\$ (1,712,828)
Component Unit - Port Authority			
	1% Decrease	Current Trend Rate	1% Increase
Port Authority's Proportionate Share of the Net OPEB (Asset)	\$ (39,986)	\$ (39,034)	\$ (37,970)

***Changes between Measurement Date and Report Date*** During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

***Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

**NOTE 11 - CONTINGENT LIABILITIES**

***A. Grants***

The County has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for disbursements disallowed under the terms of the grant. Based on prior experience, the County Commissioners believe such disallowance, if any, will be immaterial.

***B. Litigation***

Several claims and lawsuits are pending against the County. No liability has been accrued on the balance sheet. In the opinion of the County Prosecutor, the likelihood of a liability for the County cannot reasonably be estimated at this time.

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**NOTE 12 – COMMITMENTS**

**A. Contractual Commitments**

At December 31, 2021, the County had contractual commitments for the following projects:

	<u>Contract Amount</u>	<u>Expended</u>	<u>Outstanding Commitment</u>
<i>Governmental-Type Activities:</i>			
Westboro Road Bridge Replacement	\$ 1,221,633	\$ 1,172,368	\$ 49,265
Pavement and Marking	268,460	263,775	4,685
Antioch Road Sight Improvement	1,007,248	32,977	974,271
Pratt Bridge Study	5,650	2,439	3,211
Center Road Design	108,920	97,970	10,950
Phones and Networking	351,794	-	351,794
Dauids Drive Improvements	4,339,867	672,441	3,667,426
Improvements to Government Offices	74,433	15,634	58,799
	<u>\$ 7,378,005</u>	<u>\$ 2,257,604</u>	<u>\$ 5,120,401</u>

**B. Other Commitments**

The County utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the County's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 484,987
Motor Vehicle and Gas Tax	387,545
County Board of DD	315,524
Other Governmental Funds	5,443,036
	<u>\$ 6,631,092</u>

**NOTE 13 - BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Cash Receipts, Disbursements and Change in Cash Basis Fund Balance – Budget and Actual (Budget Basis) for the General Fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis).
2. Cash that is held by the custodial funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (cash basis) in the appropriate County fund.

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3. Some funds are included in the general fund (cash basis), but have separate legally adopted budgets.

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

**Net Change in Fund Balance**

	<u>General</u>	<u>Motor Vehicle and Gas Tax</u>	<u>County Board of DD</u>	<u>JFS Children Services</u>
Cash Basis	\$ (7,680,524)	\$ 838,146	\$ (607,327)	\$ 731,001
Beginning of Year:				
Cash with Fiscal Agent	-	-	2,501,543	-
Custodial Fund Cash Allocation	379,543	-	47,131	(15,374)
End of Year:				
Cash with Fiscal Agent	.	-	(2,502,410)	-
Custodial Fund Cash Allocation	(365,364)	-	(58,662)	-
Funds Budgeted Elsewhere *	(125,890)	-	-	-
Adjustment for Encumbrances	<u>(484,749)</u>	<u>(387,547)</u>	<u>(315,524)</u>	<u>-</u>
Budget Basis	<u>\$ (8,276,984)</u>	<u>\$ 450,599</u>	<u>\$ (935,249)</u>	<u>\$ 715,627</u>

\*As part of Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on the cash basis statements. This includes the Unclaimed Money, General Fund Reserve Fund Balance, Geographic Information Systems, Indigent Application Fee, Certificate of Title Administration, Sick and Vacation Payout, County Recorder Equipment, Health Insurance Depository, Sheriff Policing Rotary and Former County Hospital funds.

**NOTE 14 – PUBLIC ENTITY RISK POOL**

***County Risk Sharing Authority, Inc. (CORSA)*** - CORSA is jointly governed by 63 counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials’ errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the 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. No county may have more than one representative on the board at any time. Each member county’s control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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**NOTE 15 – JOINTLY GOVERNED ORGANIZATION**

The County is a member of the Southern Ohio Council of Governments (the SOCOG), which is a jointly governed organization under Ohio Revised Code Section 167.01. The governing body consists of a fifteen member Board with each participating County represented by its Director of its Board of Developmental Disabilities (DD). Member counties include: Adams, Athens, Brown, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, Pickaway, Pike, Ross, Scioto and Vinton Counties. The SOCOG acts as fiscal agent for the Clinton County Board of DD's supportive living program and Medicaid Reserve monies. During 2021, the SOCOG did not receive any supportive living monies from Clinton County and as of December 31, 2021, the County had a \$2,502,410 balance on hand with the SOCOG. Financial statements can be obtained from the SOCOG at 167 W. Main St., Suite C, Chillicothe, Ohio, 45601.

**NOTE 16 – RELATED ORGANIZATIONS**

County officials are also responsible for appointing the members of the Boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments of the following organizations:

*Clinton County Regional Planning Commission* - The Board of County Commissioners appoints 11 of the 20 board members.

**NOTE 17 - JOINT VENTURE WITHOUT EQUITY INTEREST**

*Warren/Clinton Counties Community Alcoholism, Drug Addiction and Mental Health Services Board (ADAMHS Board)* - The County is a member of the Warren/Clinton Counties Community Alcoholism, Drug Addiction and Mental Health Services Board (ADAMHS Board), which is a joint venture between Warren and Clinton Counties. The purpose of the Board is to provide aid, support and education for alcohol and drug dependent citizens, as well as those who are mentally handicapped.

The Warren/Clinton Counties ADAMHS Board is governed by a Board appointed by the Ohio Director of Alcohol and Drug Addiction Services, the Ohio Director of Mental Health Services, and Clinton and Warren Counties. The main sources of revenue for this Board are grants from the two previously named state departments and a property tax levy in each of the counties. Outside agencies are contracted by the Board to provide services for the Board. Financial records are maintained by the Warren County Auditor and Treasurer. Pursuant to Section 340.016 of the Ohio Revised Code, any withdrawing county would be required to submit a comprehensive plan that provides for the equitable adjustment and division of debts and obligations of the Joint County District to the State Director of Mental Health.

**NOTE 18 – COMPLIANCE**

Ohio Administrative Code, section 117-2-03 (B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net asset/fund balances, and disclosures that, while material, cannot be determined at this time. In addition, a component unit, the Clinton County Regional Airport Authority and Clinton County Land Reutilization Corporation was excluded

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

from this presentation. The County can be fined and various other administrative remedies may be taken against the County.

**NOTE 19 - 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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Motor Vehicle and Gas Tax	County Board of DD	JFS Children Services	Other Governmental Funds	Total
Nonspendable for:						
Unclaimed Monies	\$ 119,617	\$ -	\$ -	\$ -	\$ -	\$ 119,617
Restricted for:						
General Government	-	-	-	-	5,932,632	5,932,632
Public Safety	-	-	-	-	703,291	703,291
Human Services Programs	-	-	-	2,846,271	1,440,845	4,287,116
Public Works	-	4,407,092	-	-	1,067,462	5,474,554
Health Programs	-	-	8,612,940	-	130,999	8,743,939
Economic Development	-	-	-	-	72,220	72,220
Debt Service	-	-	-	-	3,973	3,973
Capital Outlay	-	-	-	-	124,738	124,738
Other Purposes	-	-	-	-	21,679	21,679
<b>Total Restricted</b>	<b>-</b>	<b>4,407,092</b>	<b>8,612,940</b>	<b>2,846,271</b>	<b>9,497,839</b>	<b>25,364,142</b>
Committed for:						
Geographic Info Systems	418,972	-	-	-	-	418,972
Sheriff's Policing Rotary	186,281	-	-	-	-	186,281
Capital Improvements	-	-	-	-	12,888,873	12,888,873
Debt	-	-	-	-	4,143,947	4,143,947
<b>Total Committed</b>	<b>605,253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,032,820</b>	<b>17,638,073</b>
Assigned:						
Encumbrances						
General Government	396,758	-	-	-	-	396,758
Public Safety	79,443	-	-	-	-	79,443
Human Service Programs	8,786	-	-	-	-	8,786
Health Programs	2,879,842	-	-	-	-	2,879,842
Other Purposes	-	-	-	-	3,700,464	3,700,464
<b>Total Assigned</b>	<b>3,364,829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,700,464</b>	<b>7,065,293</b>
Unassigned	12,440,434	-	-	-	-	12,440,434
<b>Total Fund Balance</b>	<b>\$ 16,530,133</b>	<b>\$ 4,407,092</b>	<b>\$ 8,612,940</b>	<b>\$ 2,846,271</b>	<b>\$ 30,231,123</b>	<b>\$ 62,627,559</b>

**Clinton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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**NOTE 20 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the County received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County. The impact on the County's future operating costs, receipts, and additional recovery from emergency funding, either federal or state, cannot be estimated.

CLINTON COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	Federal AL Number	Disbursements	Subrecipients
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through the Ohio Department of Job and Family Services</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP) Cluster:				
Food Assistance E&T	G-2021-11-5911	10.561	\$ 14,131	\$ 0
Food Assistance E&T 50%	G-2021-11-5911	10.561	98	0
Food Assistance	G-2021-11-5911	10.561	205,306	0
SNAP American Rescue	G-2021-11-5911	10.561	12,850	0
Stimulus Food Assistance	G-2021-11-5911	10.561	11,446	0
Food Assistance E&T	G-2223-11-6911	10.561	4,330	0
Food Assistance	G-2223-11-6911	10.561	70,026	0
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP) Cluster			318,187	0
Total U.S. Department of Agriculture			<b>318,187</b>	<b>0</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through the Ohio Department of Developmental Disabilities</i>				
Special Education Grants for Infants and Children	H181A190024	84.181	31,440	31,440
Special Education Grants for Infants and Children	H181A200024	84.181	18,451	18,451
Total Special Education Grants for Infants and Children			49,891	49,891
Total U.S. Department of Education			<b>49,891</b>	<b>49,891</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed Through the Ohio Department of Job and Family Services</i>				
Temporary Assistance for Needy Families (TANF):				
TANF - Independent Living	G-2021-11-5911, G-2223-11-6911	93.558	13,300	0
TANF - CCMEP Regular	G-2021-11-5911 / G-2223-11-6911	93.558	34,768	0
TANF - CCMEP Administration	G-2021-11-5911 / G-2223-11-6911	93.558	5,780	0
TANF - Administration	G-2021-11-5911	93.558	124,011	0
TANF - Regular (Program)	G-2021-11-5911	93.558	336,537	0
TANF - Kinship Caregiver	G-2021-11-5911	93.558	4,172	0
COVID PRC	G-2223-11-6911	93.558	53,100	0
Total Temporary Assistance for Needy Families (TANF)			571,668	0
Child Care and Development Block Grant Cluster:				
Child Care Administration	G-2021-11-5911	93.575	5,687	0
Child Care Non-Administration	G-2021-11-5911	93.575	30,812	0
Total Child Care and Development Block Grant Cluster			36,499	0
Social Services Block Grant				
Title XX - Base Subsidy	G-2021-11-5911 / G-2223-11-6911	93.667	103,602	0
Title XX - Transfer Subsidy	G-2021-11-5911 / G-2223-11-6911	93.667	325,345	0
Total Social Services Block Grant			428,947	0
Elder Abuse Prevention Interventions Program				
Stimulus APS	G-2021-11-5911	93.747	2,645	0
Total Elder Abuse Prevention Interventions Program			2,645	0
Children's Health Insurance Program				
State Children Health Inc Program	G-2021-11-5911	93.767	9,428	0
State Children Health Inc Program COVID	G-2021-11-5911	93.767	549	0
Total State Children Health Inc Program			9,977	0
Medicaid Cluster:				
Medical Assistance Program				
Medicaid 50%	G-2021-11-5911 / G-2223-11-6911	93.778	71,352	0
Medicaid 75%	G-2021-11-5911 / G-2223-11-6911	93.778	274,542	0
Medicaid Combined	G-2021-11-5911 / G-2223-11-6911	93.778	50,798	0
Medicaid NET	G-2021-11-5911 / G-2223-11-6911	93.778	80,421	0
Medicaid Child Welfare Related	G-2021-11-5911 / G-2223-11-6911	93.778	9,416	0
Total Medical Assistance Program			486,529	0
Child Support Enforcement				
Federal Child Support	G-2021-11-5911	93.563	307,582	0
Federal Child Support	G-2223-11-6911	93.563	117,608	0
Child Support Training	G-2021-11-5911	93.563	150	0
Child Support Awareness	G-2021-11-5911	93.563	490	0
County Incentives	G-2021-11-5911	93.563	109,900	0
Total Child Support Enforcement			535,730	0
Promoting Safe and Stable Families				
ESSA Preservation	G-2021-11-5911 / G-2223-11-6911	93.556	2,723	0
ESSA Reunification	G-2021-11-5911	93.556	2,573	0
IV-B Part 2	G-2021-11-5911	93.556	15,577	0
Total Promoting Safe and Stable Families			20,873	0

(Continued)

CLINTON COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	Federal AL Number	Disbursements	Subrecipients
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>				
<i>Passed Through the Ohio Department of Job and Family Services (Continued)</i>				
Stephanie Tubbs Jones Child Welfare Services Program IV-B Part 1	G-2021-11-5911	93.645	\$ 4,520	\$ 0
Total Stephanie Tubbs Jones Child Welfare Services Program			<u>4,520</u>	<u>0</u>
Foster Care (Title IV-E)				
Title IV-E Admin & Training	G-2021-11-5911 / G-2223-11-6911	93.658	263,648	0
Title IV-E Admin & Training 75%	G-2021-11-5911 / G-2223-11-6911	93.658	18,276	0
Title IV-E Contracts Foster Care	G-2021-11-5911 / G-2223-11-6911	93.658	24,103	0
Title IV-E Foster Care Maintenance	G-2021-11-5911 / G-2223-11-6911	93.658	923,480	0
Total Foster Care (Title IV-E)			<u>1,229,507</u>	<u>0</u>
Adoption Assistance (Title IV-E)				
Title IV-E Admin & Training	G-2021-11-5911 / G-2223-11-6911	93.659	498,893	0
Title IV-E Admin & Training 75%	G-2021-11-5911 / G-2223-11-6911	93.659	33,571	0
Non-Recurring Adoption	G-2021-11-5911 / G-2223-11-6911	93.659	4,148	0
Title IV-E Contracts AA	G-2021-11-5911 / G-2223-11-6911	93.659	44,767	0
Total Adoption Assistance (Title IV-E)			<u>581,379</u>	<u>0</u>
Chafee Foster Care Independence Program				
Federal Chafee	G-2021-11-5911 / G-2223-11-6911	93.674	9,776	0
Chafee Stimulus	G-2021-11-5911	93.674	30,712	0
Total Chafee Foster Care Independence Program			<u>40,488</u>	<u>0</u>
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Title XX - Social Services Block Grant	FAIN 2101OHSOSR	93.667	29,143	0
Memo Total AL 93.667			<u>458,090</u>	<u>0</u>
Medicaid Cluster:				
Medical Assistance Program (MAC)	FAIN 2105OHSADM	93.778	219,377	0
Memo Total Medicaid Cluster			<u>705,906</u>	<u>0</u>
<i>Passed through the Ohio Department of Mental Health</i>				
Promoting Safe and Stable Families	FY21	93.556	15,429	0
Memo Total AL 93.556			<u>36,302</u>	<u>0</u>
Stephanie Tubbs Jones Child Welfare Services Program	FY21	93.645	1,907	0
Memo Total AL 93.645			<u>6,427</u>	<u>0</u>
Opioid STR	2100683	93.788	25,436	0
Total U.S. Department of Health and Human Services			<u>4,240,054</u>	<u>0</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed Through the Ohio Department of Transportation</i>				
Highway Planning and Construction Cluster:				
CLI VAR Guardrail FY 21	PID# 103691	20.205	280,033	0
CLI-VAR Pavement Marking	PID# 103692	20.205	266,697	0
CLI-VAR Pavement Marking	PID# 109811	20.205	229,260	0
CLI-CR 6-4.86 Westboro Rd Bridge	PID #109966	20.205	1,077,468	0
Total Highway Planning and Construction Cluster			<u>1,853,458</u>	<u>0</u>
Total U.S. Department of Transportation			<u>1,853,458</u>	<u>0</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Passed Through the Ohio Development Services Agency</i>				
Community Development Block Grants:				
Small Cities CDBG Program	B-C-18-1AN-1	14.228	\$ 31,540	\$ 0
Small Cities CDBG Program	B-F-19-1AN-1	14.228	105,478	0
Critical Infrastructure Grant	B-X-19-1AN-1	14.228	78,172	0
Memo Total AL 14.228			<u>215,190</u>	<u>0</u>

(Continued)



CLINTON COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	Federal AL Number	Disbursements	Subrecipients
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)</u></b>				
<i>Passed Through the Ohio Development Services Agency (Continued)</i>				
Home Investment Partnerships Program	B-C-18-1AN-2	14.239	194,076	0
Total U.S. Department of Housing and Urban Development			<b>409,266</b>	<b>0</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>				
<i>Passed Through the Ohio Department of Public Safety</i>				
COVID-19 Emergency Management Performance Grant	DPSFE256	97.042	4,426	0
Emergency Management Performance Grant	DPSFE256	97.042	54,130	0
Memo Total AL 97.042			58,556	0
Hazard Mitigation Planning Grant	DPSFE251	97.039	15,760	0
Total U.S. Department of Homeland Security			<b>74,316</b>	<b>0</b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<i>Passed Through the Ohio Attorney General's Office - Crime Victim Section</i>				
Crime Victim Assistance	2021-VOCA-133899831 / 2022-VOCA-134713594	16.575	87,444	0
Crime Victim Assistance	2021-VOCA-133899464 / 2022-VOCA-134713613	16.575	21,487	0
Total Crime Victim Assistance			108,931	0
Total U.S. Department of Justice			<b>108,931</b>	<b>0</b>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>				
<i>Passed Through the Ohio Department of Jobs and Family Services via Ohio Area 7 Workforce Investment Board</i>				
Unemployment Insurance	G-2021-7314-1	17.225	4,783	4,783
WIOA Cluster				
WIOA - Adult Program	G-2021-7314-1	17.258	122,095	120,994
OMJ Resource Sharing	G-2021-7314-1	17.258	501	0
WIOA - Adult Total			122,596	120,994
CCMEP - WIOA - Youth Program	G- 1819-11-5724 / G-2021-7314-1	17.259	144,387	143,563
WIOA - Dislocated Worker Program	G-2021-7314-1	17.278	78,120	77,462
OMJ Resource Sharing	G-2021-7314-1	17.278	662	0
Bus Resource Network	G-2021-7314-1	17.278	31,407	31,407
WIOA - Dislocated Worker Total			110,189	108,869
Total WIOA Cluster			377,172	373,426
Employment Service Cluster:				
OMJ Center Resource Sharing	G-2021-7314-1	17.207	18,136	0
Total Employment Service Cluster			18,136	0
Trade Adjustment Assistance	G-2021-7314-1	17.245	3,107	0
NDWG Programs				
NDWG - Opioids #3 Program	G- 1819-11-5724 / G-2021-7314-1	17.277	21,066	21,066
NDWG-Empl Recovery Program	G-2021-7314-1	17.277	32,905	32,905
Total NDWG Programs			53,971	53,971
Total U.S. Department of Labor			<b>457,169</b>	<b>432,180</b>
Total Federal Expenditures			<b>\$ 7,511,272</b>	<b>\$ 482,071</b>

The accompanying notes are an integral part of this schedule.

## CLINTON COUNTY

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 2 CFR 200.510(b)(6) FOR THE YEAR ENDED DECEMBER 31, 2021

#### **NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Clinton County (the County's) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

#### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **NOTE C – INDIRECT COST RATE**

The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **NOTE D - SUBRECIPIENTS**

The County passes certain federal awards received from the Ohio Department of Developmental Disabilities, the Ohio Attorney General's Office, and the Ohio Department of Job and Family Services to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

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

#### **NOTE E - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS with REVOLVING LOAN CASH BALANCE**

The current cash balance on the County's local program income account as of December 31, 2021 is \$40,624.

CLINTON COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE F - 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 G - TRANSFERS BETWEEN FEDERAL PROGRAMS**

During fiscal year 2021, the County made allowable transfers of \$325,345 from the Temporary Assistance for Needy Families (TANF) (93.558) program to the Social Services Block Grant (SSBG) (93.667) program. The Schedule shows the County spent approximately \$571,668 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2021 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$ 897,013
Transfer to Social Services Block Grant	<u>(325,345)</u>
<b>Total Temporary Assistance for Needy Families</b>	<b><u>\$ 571,668</u></b>

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

Clinton County  
1850 David's Drive  
Wilmington, Ohio 45177

To the County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Clinton County, (the County) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 20, 2023, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles. The County elected to change its financial presentation to a cash basis of accounting comparable to the requirements of *Governmental Accounting Standards* in 2021.

***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 opinion 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2021-001 and 2021-002.

***County's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and 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 the financial statements and, accordingly, we express no opinion on the responses.

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
September 20, 2023

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
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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

Clinton County  
1850 David's Drive  
Wilmington, Ohio 45177

To the County Commissioners:

### Report on Compliance for Each Major Federal Program

#### ***Opinion on Each Major Federal Program***

We have audited Clinton County's, (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 Clinton County's major federal programs for the year ended December 31, 2021. Clinton County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Clinton County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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



Clinton County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Federal Program and on Internal Control Over Compliance  
Required by the Uniform Guidance  
Page 3

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  
September 20, 2023

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**CLINTON COUNTY**  
**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2021**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	93.658 - Foster Care 20.205 – Highway Planning and Construction Cluster
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

**FINDING NUMBER 2021-001**

**Noncompliance**

**Ohio Rev. Code § 117.38**, provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

**FINDING NUMBER 2021-001**  
**(continued)**

**Ohio Admin. Code § 117-2-03(B)**, which further clarifies the requirements of Ohio Rev. Code § 117.38, requires the County to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

The County prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the cash basis of accounting, rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code Â§ 117.38 the County may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the County's ability to evaluate and monitor the overall financial condition of the County. To help provide the users with more meaningful financial statements, the County should prepare its annual financial statements according to generally accepted accounting principles.

**Officials' Response:**

It is not cost beneficial for the county to file its financial statements on a GAAP basis. Our constituents would much rather see their tax dollars spent on operational needs rather than a set of financial statements that the average person on the street does not understand, and that do not truly state the county's financial position.

**FINDING NUMBER 2021-002**

**Noncompliance**

**Ohio Rev. Code § 135.18** states, in part, that each institution designated as a public depository and awarded public deposits under sections 135.01 to 135.21 of the Revised Code, except as provided in section 135.144 or 135.145 of the Revised Code, shall provide security for the repayment of all public deposits.

If a public depository elects to provide security pursuant to division (A)(1) of this section, the public depository shall pledge to the public depositor, as security for the repayment of all public moneys deposited in the public depository during the period of designation pursuant to an award made under sections 135.01 to 135.21 of the Revised Code, eligible securities of aggregate market value at all times equal to at least one hundred five per cent of the total amount of the public depositor's uninsured public deposits.

Wilmington Savings Bank is not a member of the Ohio Pooled Collateral System (OPCS). A letter of credit was issued as of December 29, 2021 however the pledged amount was insufficient by \$16,708,544.

The County should monitor the balance with Wilmington Savings Bank, and request additional collateral as needed.

**Officials' Response:**

Wilmington Savings Bank authorized the Clinton County Treasurer to draw up to the sum of \$17,500,000 effective January 5, 2022.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



**TERENCE G. HABERMEHL**  
**CLINTON COUNTY AUDITOR**

Administrative Campus  
1850 David's Drive, Suite 303  
Wilmington, Ohio 45177

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**2 CFR 200.511(b)**  
**DECEMBER 31, 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Coronavirus Relief Fund Expenditures were not properly approved.	Corrective Action Taken and Finding is Fully Corrected	

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**TERENCE G. HABERMEHL**  
**CLINTON COUNTY AUDITOR**

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**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**DECEMBER 31, 2021**

**Finding Number:** 2021-001  
**Planned Corrective Action:** It is not cost beneficial for the county to file its financial statements on a GAAP basis. Our constituents would much rather see their tax dollars spent on operational needs rather than a set of financial statements that the average person on the street does not understand, and that do not truly state the county's financial position.

**Anticipated Completion Date:** Not Resolved.  
**Responsible Contact Person:** Terence G. Habermehl

**Finding Number:** 2021-002  
**Planned Corrective Action:** Wilmington Savings Bank authorized the Clinton County Treasurer to draw up to the sum of \$17,500,000.  
**Anticipated Completion Date:** Effective 1/5/2022.  
**Responsible Contact Person:** Kyle Rudduck





# OHIO AUDITOR OF STATE KEITH FABER



**CLINTON 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 10/3/2023**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)