



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CLINTON COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of County Commissioners
Clinton County
1850 David's Drive
Wilmington, Ohio 45177

We have reviewed the *Independent Auditor's Report* of Clinton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Clinton County is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 04, 2024

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Table of Contents

Independent Auditors' Report	1
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis	5
Statement of Activities – Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds	7
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds	8
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual	
General Fund	9
Motor Vehicle and Gas Tax Fund	10
Board of Developmental Disabilities Fund	11
JFS Children's Services Fund	12
American Rescue Plan Fund	13
Statement of Fund Net Position – Cash Basis – Proprietary Fund	14
Statement of Cash Receipts, Disbursements and Changes in Fund Net Position – Cash Basis – Proprietary Fund	15
Statement of Fiduciary Net Position – Cash Basis – Fiduciary Fund	16
Statement of Changes in Fiduciary Net Position – Cash Basis – Fiduciary Fund	17
Notes to the Basic Financial Statements	19
Supplementary Information	
Schedule of Expenditures of Federal Awards	50
Notes to the Schedule of Expenditures of Federal Awards	53
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	57
Schedule of Findings and Questioned Costs	60
Summary Schedule of Prior Audit Findings	62
County's Corrective Action Plan	63

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INDEPENDENT AUDITORS' REPORT

Clinton County, Ohio
Board of County Commissioners
1850 David's Drive
Wilmington, Ohio 45177

Report on the Audit of the Financial Statements

Opinions

We have audited the cash basis financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Clinton County, Ohio (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Motor Vehicle and Gas Tax, Board of Developmental Disabilities, JFS Children's Services, and American Rescue Plan 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the *Auditors' 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 opinions are 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.

Auditors' 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 auditors' 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 for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* 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 in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 28, 2024

Basic Financial Statements

Clinton County, Ohio
Statement of Net Position - Cash Basis
December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Port Authority
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 57,542,849	\$ 5,534,712	\$ 63,077,561	\$ 8,148,121
Cash and Cash Equivalents with Fiscal Agents	2,410,337	-	2,410,337	-
<i>Total Assets</i>	<u>\$ 59,953,186</u>	<u>\$ 5,534,712</u>	<u>\$ 65,487,898</u>	<u>\$ 8,148,121</u>
Net Position				
Restricted for:				
Capital Projects	\$ 183,622	\$ -	\$ 183,622	\$ -
Debt Service	3,973	-	3,973	-
Public Security Programs	771,997	-	771,997	-
General Government	10,187,985	-	10,187,985	-
Health Programs	9,042,843	-	9,042,843	-
Transportation Projects	4,545,528	-	4,545,528	-
Public Services	4,868,956	-	4,868,956	-
Economic Development	91,866	-	91,866	-
Other Purposes	21,737	-	21,737	581,799
Unrestricted	30,234,679	5,534,712	35,769,391	7,566,322
<i>Total Net Position</i>	<u>\$ 59,953,186</u>	<u>\$ 5,534,712</u>	<u>\$ 65,487,898</u>	<u>\$ 8,148,121</u>

See accompanying notes to the basic financial statements

Clinton County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2022

	Program Receipts				Net (Disbursements) Receipts and Changes in Net Position			Component Unit
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Primary Government		Port Authority	
					Governmental Activities	Business-Type Activities		
Governmental Activities								
General Government								
Legislative and Executive	\$ 9,346,538	\$ 2,645,854	\$ 125,389		\$ (6,575,295)	\$ -	\$ (6,575,295)	\$ -
Judicial	4,341,688	236,626	1,776,504	-	(2,328,558)	-	(2,328,558)	-
Public Safety	7,236,598	1,502,038	235,777	-	(5,498,783)	-	(5,498,783)	-
Public Works	5,373,309	1,015,065	5,347,225	-	988,981	-	988,981	-
Health	4,316,417	619,208	12,364	-	(3,684,845)	-	(3,684,845)	-
Human Services	10,269,893	185,618	6,903,726	-	(3,180,549)	-	(3,180,549)	-
Economic Development	298,724	-	318,370	-	19,646	-	19,646	-
Capital Outlay	7,880,832	80,178	-	1,613,952	(6,186,702)	-	(6,186,702)	-
Debt Service:								
Principal Retirements	805,000	-	-	-	(805,000)	-	(805,000)	-
Interest and Fiscal Charges	110,025	-	-	-	(110,025)	-	(110,025)	-
Total Governmental Activities	49,979,024	6,284,587	14,719,355	1,613,952	(27,361,130)	-	(27,361,130)	-
Business-Type Activities								
Sewer	198,446	255,147	-	-	-	56,701	56,701	-
Total Primary Government	\$ 50,177,470	\$ 6,539,734	\$ 14,719,355	\$ 1,613,952	\$ (27,361,130)	\$ 56,701	\$ (27,304,429)	\$ -
Component Units								
Port Authority	14,267,527	12,572,944	1,807,286	-	-	-	-	112,703
Total Component Units	\$ 14,267,527	\$ 12,572,944	\$ 1,807,286	\$ -	-	-	-	112,703
General Receipts:								
Property Taxes Levied for:								
General Purposes					\$ 2,953,974	\$ -	\$ 2,953,974	\$ -
Health - County Board of DD					3,097,740	-	3,097,740	-
Human Services - Children Services					2,186,013	-	2,186,013	-
Human Services - Senior Services					1,181,780	-	1,181,780	-
Payments in Lieu of Taxes					805	-	805	-
Sales and Other Taxes					12,611,888	-	12,611,888	-
Grants and Entitlements not Restricted to Specific Programs					2,053,348	-	2,053,348	-
American Rescue Plan Act Funding - Not Restricted					4,075,896	-	4,075,896	-
Proceeds from Sale of Assets					22,707	-	22,707	-
Investment Earnings					568,938	-	568,938	11,898
Miscellaneous					833,668	-	833,668	19,278
Total General Receipts					29,586,757	-	29,586,757	31,176
Transfers					(5,000,000)	5,000,000	-	-
Advances					100,000	(100,000)	-	-
Change in Net Position					(2,674,373)	4,956,701	2,282,328	143,879
Net Position Beginning of Year					62,627,559	578,011	63,205,570	8,004,242
Net Position End of Year					\$ 59,953,186	\$ 5,534,712	\$ 65,487,898	\$ 8,148,121

See accompanying notes to the basic financial statements

Clinton County, Ohio
Statement of Cash Basis Assets and Fund Balance
Governmental Funds
December 31, 2022

	General	Motor Vehicle and Gasoline Tax	Board of Developmental Disabilities	JFS Children's Services	American Rescue Plan	All Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 16,457,489	\$ 3,421,678	\$ 6,518,016	\$ 3,818,955	\$ 7,980,935	\$ 19,345,776	\$ 57,542,849
Cash and Cash Equivalents with Fiscal Agents	-	-	2,410,337	-	-	-	2,410,337
<i>Total Assets</i>	<u>\$ 16,457,489</u>	<u>\$ 3,421,678</u>	<u>\$ 8,928,353</u>	<u>\$ 3,818,955</u>	<u>\$ 7,980,935</u>	<u>\$ 19,345,776</u>	<u>\$ 59,953,186</u>
Fund Balances							
Nondisposable	\$ 147,660	-	-	-	-	-	\$ 147,660
Restricted	-	3,421,678	8,928,353	3,818,955	7,980,935	5,568,586	29,718,507
Committed	311,049	-	-	-	-	13,113,764	13,424,813
Assigned	6,553,476	-	-	-	-	664,387	7,217,863
Unassigned	9,445,304	-	-	-	-	(961)	9,444,343
<i>Total Fund Balances</i>	<u>\$ 16,457,489</u>	<u>\$ 3,421,678</u>	<u>\$ 8,928,353</u>	<u>\$ 3,818,955</u>	<u>\$ 7,980,935</u>	<u>\$ 19,345,776</u>	<u>\$ 59,953,186</u>

See accompanying notes to the basic 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, 2022

	General	Motor Vehicle and Gasoline Tax	Board of Developmental Disabilities	JFS Children's Services	American Rescue Plan	All Other Governmental Funds	Total Governmental Funds
Receipts							
Property Taxes	\$ 2,953,974	\$ -	\$ 3,097,740	\$ 2,186,013	\$ -	\$ 1,181,780	\$ 9,419,507
Sales Taxes	12,532,994	-	-	-	-	-	12,532,994
Other Local Taxes	-	78,894	-	-	-	-	78,894
Special Assessments	-	-	-	-	-	117,970	117,970
Charges for Services	1,659,076	361,584	235,631	39,155	-	1,677,065	3,972,511
Licenses and Permits	1,463,701	-	220,450	-	-	23,274	1,707,425
Fines and Forfeitures	54,489	95,893	-	-	-	78,761	229,143
Intergovernmental	2,053,348	5,181,415	734,856	3,163,075	4,075,896	7,041,452	22,250,042
Interest	568,938	28,496	-	-	-	1,412	598,846
Rent	328,708	-	46,800	-	-	-	375,508
Contributions and Donations	-	-	-	-	-	64,631	64,631
Payments in Lieu of Taxes	-	805	-	-	-	-	805
Other	531,561	16,795	146,970	-	-	138,342	833,668
<i>Total Receipts</i>	<u>22,146,789</u>	<u>5,763,882</u>	<u>4,482,447</u>	<u>5,388,243</u>	<u>4,075,896</u>	<u>10,324,687</u>	<u>52,181,944</u>
Disbursements							
Current:							
General Government							
Legislative and Executive	7,235,129	-	-	-	-	2,111,409	9,346,538
Judicial	3,437,826	-	-	-	-	903,862	4,341,688
Public Safety	6,906,816	-	-	-	-	329,782	7,236,598
Public Works	-	4,944,078	-	-	-	429,231	5,373,309
Health	9,163	-	3,918,356	-	170,857	218,041	4,316,417
Human Services	354,713	-	-	4,425,327	-	5,489,853	10,269,893
Economic Development and Assistance	-	-	-	-	-	298,724	298,724
Capital Outlay	261,742	1,805,218	59,000	-	-	5,754,872	7,880,832
Debt Service:							
Principal Retirement	-	-	-	-	-	805,000	805,000
Interest and Fiscal Charges	-	-	-	-	-	110,025	110,025
<i>Total Disbursements</i>	<u>18,205,389</u>	<u>6,749,296</u>	<u>3,977,356</u>	<u>4,425,327</u>	<u>170,857</u>	<u>16,450,799</u>	<u>49,979,024</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>3,941,400</u>	<u>(985,414)</u>	<u>505,091</u>	<u>962,916</u>	<u>3,905,039</u>	<u>(6,126,112)</u>	<u>2,202,920</u>
Other Financing Sources (Uses)							
Proceeds from Sale of Assets	21,102	-	322	-	-	1,283	22,707
Other Financing Sources	-	-	-	-	-	1,625,083	1,625,083
Other Financing Uses	-	-	-	-	-	(1,625,083)	(1,625,083)
Transfers In	2,961,568	-	-	9,768	-	2,290,913	5,262,249
Transfers Out	(7,100,913)	-	(190,000)	-	-	(2,971,336)	(10,262,249)
Advances In	208,263	-	-	-	-	104,064	312,327
Advances Out	(104,064)	-	-	-	-	(108,263)	(212,327)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,014,044)</u>	<u>-</u>	<u>(189,678)</u>	<u>9,768</u>	<u>-</u>	<u>(683,339)</u>	<u>(4,877,293)</u>
<i>Net Change in Fund Balance</i>	<u>(72,644)</u>	<u>(985,414)</u>	<u>315,413</u>	<u>972,684</u>	<u>3,905,039</u>	<u>(6,809,451)</u>	<u>(2,674,373)</u>
<i>Fund Balance Beginning of Year</i>	<u>16,530,133</u>	<u>4,407,092</u>	<u>8,612,940</u>	<u>2,846,271</u>	<u>4,075,896</u>	<u>26,155,227</u>	<u>62,627,559</u>
<i>Fund Balance End of Year</i>	<u>\$ 16,457,489</u>	<u>\$ 3,421,678</u>	<u>\$ 8,928,353</u>	<u>\$ 3,818,955</u>	<u>\$ 7,980,935</u>	<u>\$ 19,345,776</u>	<u>\$ 59,953,186</u>

See accompanying notes to the basic 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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Receipts				
Property Taxes	\$ 2,751,500	\$ 2,939,669	\$ 2,942,429	\$ 2,760
Sales Taxes	12,126,000	12,532,994	12,532,994	-
Charges for Services	734,287	803,221	940,282	137,061
Licenses and Permits	1,349,200	1,411,273	1,418,359	7,086
Fines and Forfeitures	96,500	96,500	54,489	(42,011)
Intergovernmental	1,697,785	2,003,256	2,038,457	35,201
Interest	245,200	502,036	568,930	66,894
Rent	281,428	318,401	328,708	10,307
Other	62,796	377,309	483,993	106,684
<i>Total Receipts</i>	19,344,696	20,984,659	21,308,641	323,982
Disbursements				
Current:				
General Government				
Legislative and Executive	8,467,867	9,387,090	7,369,041	2,018,049
Judicial	3,565,149	3,854,398	3,544,412	309,986
Public Safety	6,535,457	6,757,686	6,454,503	303,183
Human Services	340,225	407,901	359,321	48,580
Capital Outlay	143,000	204,356	181,422	22,934
<i>Total Disbursements</i>	19,051,698	20,611,431	17,908,699	2,702,732
<i>Excess of Receipts Over (Under) Disbursements</i>	292,998	373,228	3,399,942	3,026,714
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	-	21,102	21,102
Advances In	100,000	213,263	208,263	(5,000)
Transfers In	-	2,961,568	2,961,568	-
Transfers Out	(270,000)	(7,370,913)	(7,285,913)	85,000
Advances Out	-	(104,064)	(104,064)	-
<i>Total Other Financing Sources (Uses)</i>	(170,000)	(4,300,146)	(4,199,044)	101,102
<i>Net Change in Fund Balance</i>	122,998	(3,926,918)	(799,102)	3,127,816
<i>Fund Balance Beginning of Year</i>	7,449,973	7,449,973	7,449,973	-
Prior Year Encumbrances Appropriated	484,747	484,747	484,747	-
<i>Fund Balance End of Year</i>	\$ 8,057,718	\$ 4,007,802	\$ 7,135,618	\$ 3,127,816

See accompanying notes to the basic 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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Receipts				
Charges for Services	\$ 375,000	\$ 375,000	\$ 361,584	\$ (13,416)
Fines and Forfeitures	100,000	100,000	95,893	(4,107)
Intergovernmental	5,095,000	5,095,000	5,181,415	86,415
Interest	60,000	60,000	28,496	(31,504)
Payments in Lieu of Taxes	-	805	805	-
Other Local Taxes	80,000	80,000	78,894	(1,106)
Other	10,000	10,000	16,795	6,795
<i>Total Receipts</i>	<u>5,720,000</u>	<u>5,720,805</u>	<u>5,763,882</u>	<u>43,077</u>
Disbursements				
Current:				
Public Works	5,802,557	6,297,581	5,027,403	1,270,178
Capital Outlay	<u>2,395,500</u>	<u>2,186,736</u>	<u>1,949,073</u>	<u>237,663</u>
<i>Total Disbursements</i>	<u>8,198,057</u>	<u>8,484,317</u>	<u>6,976,476</u>	<u>1,507,841</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,478,057)</u>	<u>(2,763,512)</u>	<u>(1,212,594)</u>	<u>1,550,918</u>
<i>Net Change in Fund Balance</i>	(2,478,057)	(2,763,512)	(1,212,594)	1,550,918
<i>Fund Balance Beginning of Year</i>	4,019,545	4,019,545	4,019,545	-
Prior Year Encumbrances Appropriated	<u>387,545</u>	<u>387,545</u>	<u>387,545</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,929,033</u>	<u>\$ 1,643,578</u>	<u>\$ 3,194,496</u>	<u>\$ 1,550,918</u>

See accompanying notes to the basic 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, 2022

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Receipts				
Property Taxes	\$ 3,095,370	\$ 3,095,370	\$ 3,089,123	\$ (6,247)
Charges for Services	177,713	177,713	235,631	57,918
Licenses and Permits	220,000	220,000	220,450	450
Intergovernmental	693,063	693,063	734,856	41,793
Rent	46,800	46,800	46,800	-
Other	172,750	172,750	146,970	(25,780)
<i>Total Receipts</i>	<u>4,405,696</u>	<u>4,405,696</u>	<u>4,473,830</u>	<u>68,134</u>
Disbursements				
Current:				
Health	4,761,297	4,750,232	4,020,590	729,642
Capital Outlay	-	59,000	59,000	-
<i>Total Disbursements</i>	<u>4,761,297</u>	<u>4,809,232</u>	<u>4,079,590</u>	<u>729,642</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(355,601)</u>	<u>(403,536)</u>	<u>394,240</u>	<u>797,776</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	500	500	322	(178)
Transfers In	1,000	1,000	51,000	50,000
Transfers Out	(241,000)	(241,000)	(241,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(239,500)</u>	<u>(239,500)</u>	<u>(189,678)</u>	<u>49,822</u>
<i>Net Change in Fund Balance</i>	(595,101)	(643,036)	204,562	847,598
<i>Fund Balance Beginning of Year</i>	5,736,343	5,736,343	5,736,343	-
Prior Year Encumbrances Appropriated	315,524	315,524	315,524	-
<i>Fund Balance End of Year</i>	<u>\$ 5,456,766</u>	<u>\$ 5,408,831</u>	<u>\$ 6,256,429</u>	<u>\$ 847,598</u>

See accompanying notes to the basic 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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Receipts				
Property Taxes	\$ 2,163,500	\$ 2,163,500	\$ 2,174,468	\$ 10,968
Charges for Services	25,000	25,000	39,155	14,155
Intergovernmental	2,545,631	2,545,631	3,172,843	627,212
Other	15,000	15,000	-	(15,000)
<i>Total Receipts</i>	4,749,131	4,749,131	5,386,466	637,335
Disbursements				
Current:				
Human Services	5,280,221	5,370,652	4,425,327	945,325
<i>Net Change in Fund Balance</i>	(531,090)	(621,521)	961,139	1,582,660
<i>Fund Balance Beginning of Year</i>	2,768,054	2,768,054	2,768,054	-
<i>Fund Balance End of Year</i>	\$ 2,236,964	\$ 2,146,533	\$ 3,729,193	\$ 1,582,660

See accompanying notes to the basic financial statements

Clinton County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
American Rescue Plan Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Receipts				
Intergovernmental	\$ -	\$ -	\$ 4,075,896	\$ 4,075,896
Disbursements				
Current:				
Health	-	188,617	176,413	12,204
<i>Net Change in Fund Balance</i>	-	(188,617)	3,899,483	4,088,100
<i>Fund Balance Beginning of Year</i>	3,968,596	3,968,596	3,968,596	-
Prior Year Encumbrances Appropriated	107,300	107,300	107,300	-
<i>Fund Balance End of Year</i>	<u>\$ 4,075,896</u>	<u>\$ 3,887,279</u>	<u>\$ 7,975,379</u>	<u>\$ 4,088,100</u>

See accompanying notes to the basic financial statements

Clinton County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Fund
For the Year Ended December 31, 2022

	Enterprise Fund Martinsville- Midland Sewer
Operating Receipts	
Charges for Services	\$ 255,147
Operating Disbursements	
Personal Services	2,319
Contractual Services	190
Materials and Supplies	134,318
Capital Outlay	61,619
<i>Total Operating Disbursements</i>	198,446
<i>Operating Income (Loss)</i>	56,701
Advances Out	(100,000)
Transfers In	5,000,000
<i>Change in Net Position</i>	4,956,701
<i>Net Position Beginning of Year</i>	578,011
<i>Net Position End of Year</i>	\$ 5,534,712

See accompanying notes to the basic financial statements

Clinton County, Ohio
Statement of Fiduciary Net Position - Cash Basis
Fiduciary Fund
December 31, 2022

	Custodial Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 5,714,438
Cash and Cash Equivalents in Segregated Accounts	554,527
<i>Total Assets</i>	6,268,965
 Net Position	
Restricted for Individuals, Organizations and Other Governments	\$ 6,268,965

See accompanying notes to the basic financial statements

Clinton County, Ohio
Statement of Changes in Fiduciary Net Position - Cash Basis
Fiduciary Fund
For the Year Ended December 31, 2022

	Custodial Funds
Additions	
Intergovernmental	\$ 2,427,196
Amounts Received as Fiscal Agent	3,861,857
Licenses, Permits & Fees for Other Governments	10,978,985
Fines & Forfeitures for Other Governments	393,559
Property Tax Collections for Other Governments	36,180,162
Sheriff Sale Collections for Other Governments	1,004,785
Amounts Received for Others	30,212
<i>Total Additions</i>	54,876,756
Deductions	
Distributions as Fiscal Agent	3,218,701
Distributions of State Funds to Other Governments	2,400,196
Licenses, Permits & Fee Distributions to Other Governments	11,522,601
Fines & Forfeitures Distributions to Other Governments	377,477
Property Tax Distributions to Other Governments	36,087,473
Sheriff Sale Distributions to Other Governments	1,004,785
Other Distributions	40,402
<i>Total Deductions</i>	54,651,635
<i>Change in Net Position</i>	225,121
<i>Net Position Beginning of Year</i>	6,043,844
<i>Net Position End of Year</i>	\$ 6,268,965

See accompanying notes to the basic financial statements

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Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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, 2022

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 the year end 2022.

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 Regional Planning Commission
Clinton County Family & Children First Council (FCFC)
Clinton County Park District

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.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

B. 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.

C. 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 Superintendent 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 2022, the SOCOG did not receive any supportive living monies from Clinton County and as of December 31, 2022, the County had a \$2,410,337 balance on hand with the SOCOG. Financial statements can be obtained from the SOCOG at 167 W. Main St., Suite C, Chillicothe, Ohio, 45601.

D. 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.

Clinton County Regional Airport Authority - The Board of County Commissioners appoints all nine of the Board members.

E. 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

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 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.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

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.

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.

American Rescue Plan – This fund is used to account for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

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.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

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 resources 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 2022.

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

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

resources. The County legally adopted several supplemental appropriations during the year. The original budget and all budgetary amendments and supplemental appropriations necessary during 2022 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.

E. Cash and Investments

To improve cash management, cash received by the County is pooled. Monies for all funds 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 and cash equivalents 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 2022 amounted to \$568,938 that includes \$490,402 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.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

J. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), 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 (including the intangible right to use) when entering into a lease or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase payments are reported when paid.

Leases

For 2022, GASB Statement No. 87, Leases was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The County is the lessor/lessee (as defined by GASB 87) in various leases related to buildings and equipment under noncancelable leases. Lease receivables/payables are not reflected under the County's cash basis of accounting. Lease receipts/disbursements are recognized when they are received/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.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

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 the County Commissioners or a County official delegated that authority by resolution or by State Statute. State Statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance 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, 2022 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.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

P. Estimates

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

Q. 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 2022.

R. Implementation of New Accounting Principles

For the year ended December 31, 2022, the County has (to the extent it applies to the cash basis of accounting) implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, GASB Statement No. 91, Conduit Debt Obligations, a certain provision of GASB Statement No. 93, Replacement of Interbank Offered Rates, and certain provisions of GASB Statement No. 97, Component Unit Criteria.

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the County's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the County.

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 paragraph 11b of GASB Statement No. 93 did not have an effect on the financial statements of the County.

GASB Statement No. 97 results in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The implementation of certain provisions of GASB Statement No. 97 (all except paragraphs 4 and 5) did not have an effect on the financial statements of the County.

NOTE 3 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the County into two 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.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

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;
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;

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

- 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.

A. Deposits

Cash on Hand - At December 31, 2022 the County had \$55,629 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Investments."

Deposits - At year-end, \$22,306,977 of the County's bank balance 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

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 \$554,527 in cash and cash equivalents deposited separate from the County's internal investment pool.

Cash with Fiscal Agent - At year end, the County had \$2,410,337 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, 2022, the County had the following investments and maturities:

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	\$ 82,500	\$ 15,000	\$ 45,000	\$ 22,500	0.22%
	Washington TWP Bond	10,296	10,296	-	-	0.03%
AA+	Federal Farm Credit Bank	6,472,820	-	6,472,820	-	16.29%
AA+	Federal Home Loan Bank	21,058,410	-	11,283,460	9,774,950	52.99%
AA+	Federal National Mortgage Association Notes	7,160,300	-	7,160,300	-	18.02%
AA+	US Treasury Note	1,964,300	1,964,300	-	-	4.94%
A-	Southern Ca Edison Company Bonds	1,899,520	-	1,899,520	-	4.78%
A-	Bank of America Corporation Callable Notes	1,085,508	-	1,085,508	-	2.73%
		<u>\$ 39,733,654</u>	<u>\$ 1,989,596</u>	<u>\$ 27,946,608</u>	<u>\$ 9,797,450</u>	<u>100.00%</u>

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, 2022.

C. Component Unit

At December 31, 2022, the carrying amount of the Port Authority's demand deposits was \$8,148,121.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 4 - INTERFUND TRANSACTIONS

A. Interfund Transfers

During 2022 the following transfers were made:

Transfer To	Transfer From			Total
	General Fund	County Board of DD	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ 2,961,568	\$ 2,961,568
JFS Children Service	-	-	9,768	9,768
Nonmajor governmental funds	2,100,913	190,000	-	2,290,913
Sewer Enterprise Fund	5,000,000	-	-	5,000,000
Grand Total	<u>\$ 7,100,913</u>	<u>\$ 190,000</u>	<u>\$ 2,971,336</u>	<u>\$ 10,262,249</u>

During 2022, the non-major Other County Property Projects fund transferred \$2,961,568, to the general fund to close out the fund permanently. The general fund transferred \$1,250,000, \$850,000 and \$5,000,000 respectively, to non-major capital projects funds and the sewer fund for future capital projects. The \$9,768 transfer from the JFS public assistance fund to the JFS children services fund was initiated by the State. The general fund also transferred \$913 to the non-major Emergency Management Agency fund for emergency planning and training purposes. The County board of developmental disabilities fund transferred \$190,000 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 \$2,281,336 at December 31, 2022. 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 2022.

C. Interfund Advances

During 2022, the general advanced \$35,814 to the Juvenile Court Ohio AG's VOCA Grant, \$11,750 to the Supreme Court Ohio Tech Grant, \$26,500 to the JUVCT Justice System Collaboration fund and \$30,000 to the CPC AP Justice System Collaboration fund to cover disbursements until grant money was received. Repayments to general fund were made by the Common Pleas Court AP opioid response fund for \$52,500, the Juvenile CT Ohio AG's VOCA Grant for \$55,763 and the Martinsville-Midland Sewer fund for \$100,000.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 2022 for real and public utility property taxes represents collections of the 2021 taxes.

2021 real property taxes were levied after October 1, 2022 on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due February 14; if paid semi-annually, the first payment is due February 14, 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. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2022, was \$11.10 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2022 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><u>\$1,095,930,320</u></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 23rd 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.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 7 - LONG-TERM OBLIGATIONS

A. Governmental Activities Long-Term Obligations

During 2022, the following changes occurred in the County's governmental long-term obligations:

	Balance 12/31/2021	Additions	Reductions	Balance 12/31/2022	One Year
Governmental Activities:					
<u>General Obligation Bonds</u>					
Various Purpose Bonds	\$ 2,475,000	\$ -	\$ 590,000	\$ 1,885,000	\$ 610,000
<u>Direct Placement</u>					
Fairground/Public Service Agency Building Refunding Bond	1,350,000	-	215,000	1,135,000	215,000
<i>Total Governmental Activities</i>	<u>\$ 3,825,000</u>	<u>\$ -</u>	<u>\$ 805,000</u>	<u>\$ 3,020,000</u>	<u>\$ 825,000</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.

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
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
Totals	<u>\$ 1,885,000</u>	<u>\$ 114,150</u>	<u>\$ 1,135,000</u>	<u>\$ 91,823</u>	<u>\$ 3,020,000</u>	<u>\$ 205,973</u>

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

B. Component Unit Long-Term Obligations

During 2022, the following changes occurred in the Port Authority's long-term obligations:

	Balance 12/31/2021	Additions	Reductions	Balance 12/31/2022	Due in One Year
Direct Placement:					
OEBF Loan	\$ 6,556,668	\$ -	\$ 345,834	\$ 6,210,834	\$ 355,833
166 Loan	2,912,680	-	187,632	2,725,048	189,513
Total Long-Term Obligations	<u>\$ 9,469,348</u>	<u>\$ -</u>	<u>\$ 533,466</u>	<u>\$ 8,935,882</u>	<u>\$ 545,346</u>

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.

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.

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
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	400,833	200,806	197,227	23,829	598,060	224,635
2028-2032	2,207,501	774,331	1,016,192	81,574	3,223,693	855,905
2032-2036	2,118,333	207,137	742,102	18,645	2,860,435	225,782
Totals	<u>\$ 6,210,834</u>	<u>\$ 2,109,907</u>	<u>\$ 2,725,048</u>	<u>\$ 243,592</u>	<u>\$ 8,935,882</u>	<u>\$ 2,353,499</u>

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

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 a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions 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/OPEB liability (asset) represents the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability 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.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

The net pension/net 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 modified 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)

Plan Description – County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. While members (e.g. County employees) may elect the member-directed plan and the combined plan (effective January 1, 2022, the Combined Plan is no longer available for member selection), 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. 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 as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

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

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

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

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

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2022 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2022, the County's contractually required contribution was \$2,194,543.

Pension Liability

The net pension liability for OPERS was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the respective measurement dates. 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:

<u>Clinton County</u>		<u>OPERS</u>
Proportion of the Net Pension Liability:		
Current Measurement Period		0.101103%
Prior Measurement Period		<u>0.102589%</u>
Change in Proportion		<u>-0.001486%</u>
Proportionate Share of the Net Pension Liability	\$	8,796,370
<u>Component Unit - Port Authority</u>		<u>OPERS</u>
Proportion of the Net Pension Liability:		
Current Measurement Period		0.001346%
Prior Measurement Period		<u>0.001248%</u>
Change in Proportion		<u>0.000098%</u>
Proportionate Share of the Net Pension Liability	\$	117,107

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Actuarial Assumptions – OPERS

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

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

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

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

	OPERS Traditional Plan
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

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

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

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

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

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

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the County’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the County’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 23,192,017	\$ 8,796,370	\$ (3,182,722)
Clinton County - Port Authority			
	1% Decrease	Current Discount Rate	1% Increase
Port Authority's Proportionate Share of the Net Pension Liability (Asset)	\$ 308,759	\$ 117,107	\$ (42,372)

NOTE 10 – POSTEMPLOYMENT BENEFITS

Net OPEB Liability (Asset)

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

Plan Description – Ohio Public Employees Retirement System

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

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

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County had no contractually required contribution for 2022.

Net OPEB Liability (Asset)

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

Clinton County	
	OPERS
Proportion of the Net OPEB Liability (Asset):	
Current Measurement Period	0.098144%
Prior Measurement Period	0.098836%
Change in Proportion	-0.000692%
Proportionate Share of the Net OPEB Asset	\$ (3,074,020)
Component Unit - Port Authority	
	OPERS
Proportion of the Net OPEB Liability (Asset):	
Current Measurement Period	0.002347%
Prior Measurement Period	0.002191%
Change in Proportion	0.000156%
Proportionate Share of the Net OPEB Liability (Asset)	\$ (73,512)

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.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

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

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

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

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

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

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

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	\$ (1,807,812)	\$ (3,074,020)	\$ (4,124,992)
Component Unit - Port Authority			
	1% Decrease	Current Discount Rate	1% Increase
Port Authority's Proportionate Share of the Net OPEB (Asset)	\$ (43,232)	\$ (73,512)	\$ (98,644)

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

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

	1% Decrease	Current Trend Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	\$ (3,107,239)	\$ (3,074,020)	\$ (3,034,612)
Component Unit - Port Authority			
	1% Decrease	Current Trend Rate	1% Increase
Port Authority's Proportionate Share of the Net OPEB (Asset)	\$ (74,306)	\$ (73,512)	\$ (72,569)

Changes Between the Measurement Date and the Reporting date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability is unknown.

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.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

NOTE 12 – COMMITMENTS

A. Contractual Commitments

At December 31, 2022, the County had contractual commitments for the following projects:

	Contract Amount	Expended	Outstanding Commitment
<i>Governmental-Type Activities:</i>			
Davids Drive Improvements	\$ 1,324,798	\$ 518,458	\$ 806,340
Bathroom Renovations	30,830	11,458	19,372
Network, Cabling, and Servers	164,054	51,838	112,216
Shelving Designs	38,027	-	38,027
Guardrail Replacement	299,145	-	299,145
Antioch Road Sight Improvement	964,820	941,529	23,291
Wall Repairs	23,350	-	23,350
	\$ 2,845,024	\$ 1,523,283	\$ 1,321,741

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:

Fund	Amount
General	\$ 769,567
Motor Vehicle & Gas Tax	227,180
Board of Developmental Disabilities	194,307
American Rescue Plan	5,556
Nonmajor Governmental	1,688,497
	\$ 2,885,107

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:

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.
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

	General	Motor Vehicle & Gasoline Tax	Board of Developmental Disabilities	JFS Children's Services	American Rescue Plan
Cash Basis	\$ (72,644)	\$ (985,414)	\$ 315,413	\$ 972,684	\$ 3,905,039
Beginning of Year:					
Cash with Fiscal Agent	-	-	2,502,410	-	-
Custodial Fund Cash Allocation	365,364	-	58,662	78,216	-
End of Year:					
Cash with Fiscal Agent	-	-	(2,410,337)	-	-
Custodial Fund Cash Allocation	(411,553)	-	(67,279)	(89,761)	-
Funds Budgeted Elsewhere *	85,298	-	-	-	-
Adjustment for Encumbrances	(765,567)	(227,180)	(194,307)	-	(5,556)
Budget Basis	<u>\$ (799,102)</u>	<u>\$ (1,212,594)</u>	<u>\$ 204,562</u>	<u>\$ 961,139</u>	<u>\$ 3,899,483</u>

*Certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis. These include 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 – 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 Port Authority was excluded from this presentation. The County can be fined and various other administrative remedies may be taken against the County.

Clinton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 15 - 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 & Gas Tax	JFS Children Services	Board of Developmental Disabilities	American Rescue Plan	Other Governmental Funds	Total
Nonspendable for:							
Unclaimed Monies	\$ 147,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,660
Restricted for:							
Public Works	-	3,421,678	-	-	-	1,123,850	4,545,528
Human Services	-	-	3,818,955	-	-	1,050,001	4,868,956
General Gov't	-	-	-	-	7,980,935	2,207,050	10,187,985
Public Safety	-	-	-	-	-	771,997	771,997
Health	-	-	-	8,928,353	-	114,490	9,042,843
Capital Outlay	-	-	-	-	-	183,622	183,622
Other Purposes	-	-	-	-	-	21,737	21,737
Economic Development	-	-	-	-	-	91,866	91,866
Debt Service	-	-	-	-	-	3,973	3,973
Total Restricted	-	3,421,678	3,818,955	8,928,353	7,980,935	5,568,586	29,718,507
Committed for:							
Public Safety	27,621	-	-	-	-	-	27,621
Capital Projects	-	-	-	-	-	9,884,842	9,884,842
General Gov't	283,428	-	-	-	-	-	283,428
Debt Service	-	-	-	-	-	3,228,922	3,228,922
Total Committed	311,049	-	-	-	-	13,113,764	13,424,813
Assigned for:							
Encumbrances:							
General Government	668,385	-	-	-	-	-	668,385
Public Safety	82,422	-	-	-	-	-	82,422
Capital Outlay	14,150	-	-	-	-	-	14,150
Human Service Programs	4,608	-	-	-	-	-	4,608
Subsequent Year Appropriations	2,913,232	-	-	-	-	-	2,913,232
Health	2,870,679	-	-	-	-	-	2,870,679
Other Purposes	-	-	-	-	-	664,387	664,387
Total Assigned	6,553,476	-	-	-	-	664,387	7,217,863
Unassigned	9,445,304	-	-	-	-	(961)	9,444,343
Total Fund Balance	\$ 16,457,489	\$ 3,421,678	\$ 3,818,955	\$ 8,928,353	\$ 7,980,935	\$ 19,345,776	\$ 59,953,186

The PSI fund had deficit balance of \$961 as of December 31, 2022.

CLINTON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	Federal AL Number	Disbursements	Subrecipients
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through the Ohio Department of Job and Family Services</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:				
Food Assistance E&T	G-2223-11-6911	10.561	\$ 1,301	\$ 0
Food Assistance E&T 50%	G-2223-11-6911	10.561	48	0
Food Assistance	G-2223-11-6911	10.561	222,963	0
COVID-19 - SNAP American Rescue	G-2223-11-6911	10.561	13,364	0
Total SNAP Cluster			<u>237,676</u>	<u>0</u>
Total U.S. Department of Agriculture			<u>237,676</u>	<u>0</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed Through the Ohio Department of Developmental Disabilities</i>				
Special Education - Grants for Infants and Families	H181A200024	84.181	19,390	19,390
Special Education - Grants for Infants and Families	H181A210024	84.181	18,244	18,244
COVID-19 - Special Education - Grants for Infants and Families	H181X210024	84.181X	28,404	28,404
Total Special Education - Grants for Infants and Children			<u>66,038</u>	<u>66,038</u>
Total U.S. Department of Education			<u>66,038</u>	<u>66,038</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed Through the Ohio Department of Job and Family Services</i>				
Temporary Assistance for Needy Families (TANF):				
TANF - Independent Living	G-2223-11-6911	93.558	12,100	0
TANF - CCMEP Regular	G-2223-11-6911	93.558	87,731	0
TANF - CCMEP Administration	G-2223-11-6911	93.558	3,515	0
TANF - Administration	G-2223-11-6911	93.558	181,836	0
TANF - Regular (Program)	G-2223-11-6911	93.558	355,577	0
TANF - Kinship Caregiver	G-2021-11-5911	93.558	3,105	0
TANF - Kinship Caregiver	G-2223-11-6911	93.558	6,663	0
TANF - Fraud Awareness	G-2223-11-6911	93.558	1,997	0
COVID-19 - TANF - COVID PRC	G-2021-11-5911	93.558	69,300	0
Total Temporary Assistance for Needy Families (TANF)			<u>721,824</u>	<u>0</u>
CCDF Cluster:				
Child Care and Development Block Grant:				
Child Care Administration	G-2223-11-6911	93.575	17,956	0
Child Care Non-Administration	G-2223-11-6911	93.575	46,936	0
Total CCDF Cluster			<u>64,892</u>	<u>0</u>
Social Services Block Grant				
Title XX - Base Subsidy	G-2223-11-6911	93.667	105,470	0
Title XX - Transfer Subsidy	G-2223-11-6911	93.667	307,514	0
Total Social Services Block Grant			<u>412,984</u>	<u>0</u>
Elder Abuse Prevention Interventions Program				
COVID-19 - Stimulus APS	G-2021-11-5911	93.747	15,798	0
Total Elder Abuse Prevention Interventions Program			<u>15,798</u>	<u>0</u>
Children's Health Insurance Program				
State Children Health Ins Program	G-2223-11-6911	93.767	1,774	0
COVID-19 - State Children Health Ins Program	G-2223-11-6911	93.767	103	0
Total Children's Health Insurance Program			<u>1,877</u>	<u>0</u>
Medicaid Cluster:				
Medical Assistance Program				
Medicaid 50%	G-2223-11-6911	93.778	70,745	0
Medicaid 75%	G-2223-11-6911	93.778	246,737	0
Medicaid Combined	G-2223-11-6911	93.778	51,763	0
Medicaid NET	G-2223-11-6911	93.778	106,572	0
Medicaid Special Projects	G-2223-11-6911	93.778	16,459	0
Medicaid Child Welfare Related	G-2223-11-6911	93.778	2,701	0
Total Medicaid Cluster			<u>494,977</u>	<u>0</u>
Child Support Enforcement				
Child Support Training	G-2223-11-6911	93.563	265	0
Child Support Awareness	G-2223-11-6911	93.563	500	0
Child Support	G-2223-11-6911	93.563	447,734	0
Federal Incentives	G-2223-11-6911	93.563	111,918	0
Total Child Support Enforcement			<u>560,417</u>	<u>0</u>
Promoting Safe and Stable Families				
ESSA Preservation	G-2223-11-6911	93.556	4,260	0
ESSA Reunification	G-2223-11-6911	93.556	360	0
IV-B Part 2	G-2223-11-6911	93.556	15,577	0
Total Promoting Safe and Stable Families			<u>20,197</u>	<u>0</u>

(Continued)

CLINTON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	Federal AL Number	Disbursements	Subrecipients
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> (Continued)				
<i>Passed Through the Ohio Department of Job and Family Services (Continued)</i>				
Stephanie Tubbs Jones Child Welfare Services Program IV-B Part I	G-2223-11-6911	93.645	\$ 1,925	\$ 0
Total Stephanie Tubbs Jones Child Welfare Services Program			<u>1,925</u>	<u>0</u>
Foster Care (Title IV-E)				
Title IV-E Admin & Training	G-2223-11-6911	93.658	203,078	0
Title IV-E Admin & Training 75%	G-2223-11-6911	93.658	25,663	0
Title IV-E Contracts Foster Care	G-2223-11-6911	93.658	4,709	0
Title IV-E Foster Care Maintenance	G-2223-11-6911	93.658	873,908	0
Total Foster Care (Title IV-E)			<u>1,107,358</u>	<u>0</u>
Adoption Assistance (Title IV-E)				
Title IV-E Admin & Training	G-2223-11-6911	93.659	427,910	0
Title IV-E Admin & Training 75%	G-2223-11-6911	93.659	53,679	0
Non-Recurring Adoption	G-2223-11-6911	93.659	4,655	0
Title IV-E Contracts AA	G-2223-11-6911	93.659	10,658	0
Total Adoption Assistance (Title IV-E)			<u>496,902</u>	<u>0</u>
John H. Chafee Foster Care Program for Successful Transition to Adulthood Federal Chafee	G-2223-11-6911	93.674	28,597	0
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			<u>28,597</u>	<u>0</u>
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Title XX - Social Services Block Grant	FAIN 2101OHSOSR	93.667	28,797	0
Memo Total AL 93.667			<u>441,781</u>	<u>0</u>
<i>Passed through the Ohio Department of Mental Health</i>				
Opioid STR	2100683	93.788	56,279	0
Total U.S. Department of Health and Human Services			<u>4,012,824</u>	<u>0</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed Through the Ohio Department of Transportation</i>				
Highway Planning and Construction Cluster:				
CLI-VAR Pavement Marking	PID# 103692	20.205	4,684	0
CLI-CR12-7.96 Antioch Road Sight Improvement	PID# 106338	20.205	948,823	0
CLI-VAR Guardrail FY22	PID# 109810	20.205	331,606	0
CLI-VAR Guardrail FY23	PID# 109821	20.205	2,961	0
CLI-CR 6-4.86 Westboro Rd Bridge	PID #109966	20.205	46,802	0
CLI 2021 Curve Sign Upgrade	PID# 113878	20.205	9,100	0
Total Highway Planning and Construction Cluster			<u>1,343,976</u>	<u>0</u>
Total U.S. Department of Transportation			<u>1,343,976</u>	<u>0</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
<i>Direct</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	170,857	0
Total U.S. Department of the Treasury			<u>170,857</u>	<u>0</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Passed Through the Ohio Development Services Agency</i>				
Community Development Block Grants:				
Small Cities CDBG Program	B-C-18-1AN-1	14.228	6,500	0
Small Cities CDBG Program	B-F-19-1AN-1	14.228	5,400	0
Small Cities CDBG Program	B-F-21-1AN-1	14.228	24,482	0
Small Cities CDBG Program	B-C-21-1AN-1	14.228	65,869	0
COVID-19 - Small Cities CDBG Program	B-D-21-1AN-4	14.228	37,207	0
Total Community Development Block Grants			<u>139,458</u>	<u>0</u>

(Continued)

CLINTON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	Federal AL Number	Disbursements	Subrecipients
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT(Continued)</u>				
<i>Passed Through the Ohio Development Services Agency (Continued)</i>				
Home Investment Partnerships Program	B-C-18-1AN-2	14.239	\$ 15,450	\$ 0
Home Investment Partnerships Program	B-C-21-1AN-2	14.239	74,810	0
Total Home Investment Partnerships Program			<u>90,260</u>	<u>0</u>
Total U.S. Department of Housing and Urban Development			<u>229,718</u>	<u>0</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Passed Through the Ohio Department of Public Safety</i>				
COVID-19 - Emergency Management Performance Grant	DPSFE266	97.042	54,235	0
Homeland Security Grant Program	DPSFE264	97.067	9,920	0
Total U.S. Department of Homeland Security			<u>64,155</u>	<u>0</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Passed Through the Ohio Attorney General's Office - Crime Victim Section</i>				
Crime Victim Assistance	2022-VOCA-134713594 / 2023-VOCA-135104396	16.575	36,750	0
Crime Victim Assistance	2022-VOCA-134713613 / 2023-VOCA-135104408	16.575	24,342	0
Total Crime Victim Assistance			<u>61,092</u>	<u>0</u>
Total U.S. Department of Justice			<u>61,092</u>	<u>0</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
<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	7,887	7,887
WIOA Cluster				
WIOA - Adult Program	G-2021-7314-1	17.258	122,864	120,762
OMJ Resource Sharing	G-2021-7314-1	17.258	776	0
Bus Resource Network	G-2021-7314-1	17.258	650	650
WIOA - Adult Total			<u>124,290</u>	<u>121,412</u>
CCMEP - WIOA - Youth Program	G-2021-7314-1	17.259	82,691	82,184
WIOA - Dislocated Worker Program	G-2021-7314-1	17.278	78,736	77,501
OMJ Resource Sharing	G-2021-7314-1	17.278	603	0
WIOA - Dislocated Worker Total			<u>79,339</u>	<u>77,501</u>
Total WIOA Cluster			<u>286,320</u>	<u>281,097</u>
Employment Service Cluster:				
OMJ Center Resource Sharing	G-2021-7314-1	17.207	15,042	0
Total Employment Service Cluster			<u>15,042</u>	<u>0</u>
Trade Adjustment Assistance	G-2021-7314-1	17.245	2,357	0
NDWG Programs				
NDWG - Opioids #3 Program	G-2021-7314-1	17.277	8,226	8,226
NDWG-EmpI Recovery Program	G-2021-7314-1	17.277	3,524	3,524
NDWG-Opioids Fresh Start Program	G-2021-7314-1	17.277	14,069	14,069
Total NDWG Programs			<u>25,819</u>	<u>25,819</u>
Total U.S. Department of Labor			<u>337,425</u>	<u>314,803</u>
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>				
<i>Passed Through the Ohio Secretary of State</i>				
HAVA Election Security Grant	360744247	90.404	2,691	0
Total U.S. Election Assistance Commission			<u>2,691</u>	<u>0</u>
Total Federal Expenditures			<u>\$ 6,526,452</u>	<u>\$ 380,841</u>

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, 2022**

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, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position 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, 2022 is \$39,480.

CLINTON COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022

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 2022, the County made allowable transfers of \$307,514 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 \$721,824 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 2022 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$ 1,029,338
Transfer to Social Services Block Grant	<u>(307,514)</u>
Total Temporary Assistance for Needy Families	<u>\$ 721,824</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Clinton County, Ohio
Board of County Commissioners
1850 David's Drive
Wilmington, Ohio 45177

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Clinton County, Ohio (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 28, 2024, wherein we noted the County reported on the cash basis of accounting.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the schedule of findings and questioned costs as item 2022-002 that we consider to be a significant deficiency.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2022-001.

The County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 28, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Clinton County, Ohio
Board of County Commissioners
1850 David's Drive
Wilmington, Ohio 45177

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clinton County, Ohio's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2022.

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 Auditors' 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

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.

Auditors' 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 a 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 Auditors' 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.

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 28, 2024

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
Highway Planning and Construction Cluster:	
ALN 20.205 – Highway Planning and Construction	
ALN 93.658 – Foster Care -Title IV-E	
ALN 93.659 – Adoption Assistance-Title IV-E	
Dollar threshold to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding Number 2022-001: Noncompliance – Not Reporting in Accordance with GAAP

Ohio Administrative Code Section 117-2-3(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP). Clinton County has elected to prepare and submit its annual financial report on the cash basis of accounting. The accompanying financial statements and notes omit material assets, liabilities, fund equities and disclosures required by GAAP.

Management 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 2022-002: Significant Deficiency – Audit Adjustments

While the County contracts with an outside firm to complete the compilation of its annual financial statements, responsibility for those statements and related note disclosures remain with the County's management. Thus, it is important to develop appropriate control procedures related to drafting financial statements and disclosures which enables errors to be prevented, or detected and corrected, on a timely basis.

As the result of audit procedures performed, certain reclassifications were necessary to accurately report the cash receipts, cash disbursements and reporting categories of net position on the financial statements for 2022. Although these reclassifications did not have an effect on ending net cash position, audit adjustments are an indication that controls over financial reporting are deficient in design or not operating as intended.

The County should ensure financial reporting procedures are implemented to detect errors and omissions in the financial statements prior to presenting them for audit.

Management Response: The County Auditor acknowledges the audit adjustments needed for 2022 and will continue to work towards ensuring such adjustments are not necessary for future years. It's worth noting that adjustments for FY 2023 were already addressed before this audit finding, demonstrating our commitment to enhancing financial reporting procedures.

Section III – Federal Awards Findings and Questioned Costs

None Noted



TERENCE G. HABERMEHL
CLINTON COUNTY AUDITOR

Administrative Campus
1850 Davids Drive, Suite 303
Wilmington, Ohio 45177

Phone: (937)-382-2250
Fax: (937)- 382-4090

Website: <https://clintonoh-auditor.schneidergis.com/>

Schedule of Prior Audit Findings
December 31, 2022

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Status</u>	<u>Additional Information</u>
2021-001	ORC § 117.38 and OAC § 117-2-03(B) – not filing financial report on a GAAP basis.	Not Corrected	Repeated as Finding Number 2022-001
2021-002	ORC § 135.18 – insufficient pledged collateral of public deposits at year-end.	Corrected	Corrective action taken and finding is fully Corrected.



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Wilmington, Ohio 45177

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Fax: (937)- 382-4090

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Corrective Action Plan
December 31, 2022

Finding Number: 2022-001
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: N/A
Responsible Contact Person: Terence G. Habermehl

Finding Number: 2022-002
Planned Corrective Action: The Auditor will work directly with the 3rd party firm contracted to prepare the County's financial statements to develop additional review and oversight procedures to ensure errors and omissions in the financial statements are identified and corrected prior to presenting them for audit.
Anticipated Completion Date: Immediately
Responsible Contact Person: Terence G. Habermehl



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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 4/16/2024

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