



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

# **BROWN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021





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

County Commissioners  
Brown County  
800 Mount Orab Pike  
Georgetown, Ohio 45121

We have reviewed the *Independent Auditor's Report* of Brown County prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2021 through December 31, 2021. 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. Brown 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

September 16, 2022

**This page intentionally left blank.**

## TABLE OF CONTENTS

Independent Auditors' Report.....	1 - 3
Management's Discussion and Analysis .....	4 - 13
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position - Cash Basis .....	14
Statement of Activities – Cash Basis .....	15 - 16
Fund Financial Statements	
Statement of Cash Assets and Fund Cash Balances -	
Governmental Funds – Cash Basis .....	17 - 18
Statement of Cash Receipts, Cash Disbursements and Changes in Fund	
Cash Balances – Governmental Funds – Cash Basis .....	19 - 20
Statement of Receipts, Disbursements and Changes in Fund Balance -	
Budget and Actual – Budgetary Basis – General Fund .....	21
Statement of Receipts, Disbursements and Changes in Fund Balance -	
Budget and Actual – Budgetary Basis – ARPA Fund .....	22
Statement of Receipts, Disbursements and Changes in Fund Balance -	
Budget and Actual – Budgetary Basis – Job and Family Services Fund .....	23
Statement of Receipts, Disbursements and Changes in Fund Balance -	
Budget and Actual – Budgetary Basis – Auto and Gas Tax Fund .....	24
Statement of Receipts, Disbursements and Changes in Fund Balance -	
Budget and Actual – Budgetary Basis – Developmental Disabilities Fund .....	25
Statement of Net Cash Position – Proprietary Funds – Cash Basis .....	26
Statement of Receipts, Cash Disbursements and Changes in	
Net Cash Position - Proprietary Funds – Cash Basis .....	27
Statement of Fiduciary Net Cash Position – Custodial Funds – Cash Basis.....	28
Statement of Changes in Fiduciary Net Cash Position– Custodial Funds – Cash Basis.....	29
Notes to the Basic Financial Statements.....	30 - 63
Additional Information:	
Schedule of Expenditures of Federal Awards.....	64 - 65
Notes to the Schedule of Expenditures of Federal Awards .....	66
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> .....	67 - 68
Report on Compliance for the Major Program and	
Report on Internal Control Over Compliance Required by the Uniform Guidance .....	69 - 71
Schedule of Findings and Questioned Costs.....	72 - 74
Schedule of Prior Audit Findings .....	75
Corrective Action Plan.....	76

**This page intentionally left blank.**

## INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners  
Brown County, Ohio:

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

#### **Opinions**

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, and the respective changes in cash basis financial position and the respective budgetary comparison for the General, ARPA, Job and Family Services, Auto and Gas Tax, and Developmental Disabilities Funds for the year 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 these 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 the 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 generally accepted auditing standards 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 generally accepted auditing standards 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 accompanying 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

We applied no procedures to management's discussion & analysis, as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2022 on our consideration of the County's internal control over financial reporting and on 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.*

Cincinnati, Ohio  
August 12, 2022

## BROWN COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

The management's discussion and analysis of Brown County's (the County) financial performance provides an overall review of the County's financial activities for the year ended December 31, 2021. The intent of the management's discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

#### Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, net cash position increased \$6,628,364, which represents a 21.39% increase from the 2020's restated net position (see Note 3). Governmental activities net position increased \$6,224,915 or 20.88% from 2020's restated net position, while business-type activities net position increased \$403,449 or 34.28%.
- The County's major governmental funds include the General Fund, the American Rescue Plan Act (ARPA) Fund, the Job and Family Services Fund, the Auto & Gas Tax Fund, and the Developmental Disabilities Fund. The General Fund had receipts and other financing sources of \$14,589,570 and disbursements and other financing uses of \$12,335,277. The General Fund's fund balance increased \$2,254,293, from a restated fund cash balance of \$10,032,932 (see Note 3) to \$12,287,225 during 2021.
- The ARPA Fund had receipts of \$4,225,569. The ARPA fund's fund balance increased \$4,225,569, from \$0 to \$4,225,569 during 2021 due to the County receiving grant money from ARPA during 2021.
- The Job and Family Services Fund had receipts and other financing sources of \$4,086,261 and disbursements and other financing uses of \$4,170,990. The Job and Family Services Fund's fund balance decreased \$84,729, from \$172,200 to \$87,471 during 2021.
- The Auto & Gas Tax Fund had receipts of \$6,390,291 and disbursements of \$6,411,995. The Auto & Gas Tax Fund's fund balance decreased \$21,704, from \$1,695,381 to \$1,673,677 during 2021.
- The Developmental Disabilities Fund had receipts of \$1,999,408 and disbursements of \$2,257,749. The Developmental Disabilities Fund's fund balance decreased \$258,341, from a restated fund cash balance of \$4,712,811 (see Note 3) to \$4,454,470 during 2021.
- The County's business-type activities consist of the Solid Waste Fund and the Sewer and Water Fund. These activities had program receipts of \$1,431,45 and disbursements of \$1,044,400. Net position of the business-type activities increased \$403,449.

#### Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the County's cash basis of accounting.

The annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the County as a financial whole, or, as an entire operating entity.

#### Report Components

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis provide information about the activities of the whole County, presenting both an aggregate view of the County's cash basis finances.

## **BROWN COUNTY, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)**

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds, with all other non-major funds presented in total in a single column. For the County, the General Fund is the most significant fund. The County's major governmental funds are the General Fund, the ARPA Fund, the Job and Family Services Fund, the Auto and Gas Tax fund, and the Developmental Disabilities fund.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the basic financial statements.

#### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The County has elected to present its financial statements on a cash basis of accounting. The County uses the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under the County's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

#### **Reporting the County as a Whole**

##### **Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis**

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis answer the question, "How did we do financially during 2021?", within the limitations of the cash basis of accounting. These statements include only net cash position using the cash basis of accounting, which is a basis of accounting other than GAAP. This basis of accounting takes into account only the current year receipts and disbursements if the cash is actually received or paid.

The statement of net position – cash basis presents the cash balances and investments of the governmental and business-type activities of the County at year end. The statement of activities-cash basis compares cash disbursements with program cash receipts for each governmental program and business-type activity. Program cash receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program or activity. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the County's general receipts.

These two statements report the County's net cash position and changes on a cash basis. This change in net cash position is important because it tells the reader that, for the County as a whole, the cash basis financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, sales tax receipts, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

## BROWN COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

In the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis, the County is divided into two distinct kinds of activities.

Governmental Activities - Most of the County's programs and services are reported here, which include legislative and executive and judicial general government, human services, health, public safety, and public works. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the cash disbursements for the goods or services provided. The Solid Waste fund and the Sewer and Water fund are reported as business-type activities.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the General Fund, the ARPA Fund, the Job and Family Services Fund, the Auto and Gas Tax Fund, and the Developmental Disabilities Fund.

#### **Governmental Funds**

Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than GAAP. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be spent in the near future to finance various County programs. Since the County is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross cash receipts and cash disbursements on the fund financial statements to the statement of activities due to transfers and advances netted on the statement of activities.

The County's budgetary process accounts for certain transactions on a cash basis. The budgetary statements for the General fund and all annually budgeted major special revenue funds are presented to demonstrate the County's compliance with annually adopted budgets.

#### **Proprietary Funds**

The County's proprietary funds use the same basis of accounting (cash basis) as business-type activities; therefore, these statements will essentially match the information provided in statements for the County as a whole.

#### **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. The County's only fiduciary funds are custodial funds.

**BROWN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

**Notes to the Financial Statements**

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements.

**Government-Wide Financial Analysis**

The table below provides a summary of the County's net cash position for 2021 and 2020. Amounts for 2020 have been restated as described in Note 3.

	<b>Net Cash Position</b>					
	Governmental Activities 2021	Business-Type Activities 2021	Restated Governmental Activities 2020	Business-Type Activities 2020	2021 Total	Restated 2020 Total
<u>Assets</u>						
Equity in pooled cash and cash equivalents	\$ 36,037,247	\$ 1,580,413	\$ 29,812,332	\$ 1,176,964	\$ 37,617,660	\$ 30,989,296
Total assets	<u>36,037,247</u>	<u>1,580,413</u>	<u>29,812,332</u>	<u>1,176,964</u>	<u>37,617,660</u>	<u>30,989,296</u>
<u>Net Cash Position</u>						
Restricted	24,042,503	-	19,779,400	-	24,042,503	19,779,400
Unrestricted	<u>11,994,744</u>	<u>1,580,413</u>	<u>10,032,932</u>	<u>1,176,964</u>	<u>13,575,157</u>	<u>11,209,896</u>
Total net cash position	<u>\$ 36,037,247</u>	<u>\$ 1,580,413</u>	<u>\$ 29,812,332</u>	<u>\$ 1,176,964</u>	<u>\$ 37,617,660</u>	<u>\$ 30,989,296</u>

The total net cash position of the County increased \$6,628,364. Net cash position of governmental activities increased \$6,224,915, which represents a 20.88% increase from the 2020 restated balance (see Note 3). Net cash position of business-type activities increased \$403,449 or 34.28% from the 2020 balance.

During 2021, the County received a \$4.2 million ARPA grant from the federal government. None of the money was spent in 2021, therefore, accounting for the majority of the increase to restricted net cash position at December 31, 2021.

A portion of the County's governmental activities net cash position, \$24,042,503, represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental activities unrestricted net cash position of \$11,994,744 may be used to meet the County's ongoing obligations to citizens and creditors.

THIS SPACE INTENTIONALLY LEFT BLANK

**BROWN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

The table below shows the changes in net cash position for 2020 and 2021. Certain amounts for 2020 have been restated as described in Note 3.

	<b>Change in Net Cash Position</b>					
	Governmental Activities	Business-Type Activities	Restated		2021 Total	Restated 2020 Total
			Governmental Activities	Business-Type Activities		
	2021	2021	2020	2020		
<b>Cash Receipts:</b>						
Program receipts:						
Charges for services and sales	\$ 5,788,340	\$ 1,431,459	\$ 5,787,790	\$ 1,444,747	\$ 7,219,799	\$ 7,232,537
Operating grants and contributions	19,838,988	-	18,660,167	-	19,838,988	18,660,167
Capital grants and contributions	230,230	-	840,831	-	230,230	840,831
<b>Total program receipts</b>	<b>25,857,558</b>	<b>1,431,459</b>	<b>25,288,788</b>	<b>1,444,747</b>	<b>27,289,017</b>	<b>26,733,535</b>
General receipts:						
Property taxes	4,355,331	-	4,323,577	-	4,355,331	4,323,577
Sales taxes	7,438,996	-	6,363,176	-	7,438,996	6,363,176
Unrestricted grants	1,584,230	-	1,420,292	-	1,584,230	1,420,292
Proceeds of loans	-	-	689,297	-	-	689,297
Investment receipts	214,839	-	444,283	-	214,839	444,283
Miscellaneous	629,530	-	1,315,859	339	629,530	1,316,198
<b>Total general receipts</b>	<b>14,222,926</b>	<b>-</b>	<b>14,556,484</b>	<b>339</b>	<b>14,222,926</b>	<b>14,556,823</b>
<b>Total receipts</b>	<b>40,080,484</b>	<b>1,431,459</b>	<b>39,845,272</b>	<b>1,445,086</b>	<b>41,511,943</b>	<b>41,290,358</b>
<b>Cash Disbursements:</b>						
General government:						
Legislative and executive	4,919,011	-	4,280,730	-	4,919,011	4,280,730
Judicial	4,339,604	-	4,133,685	-	4,339,604	4,133,685
Public safety	5,608,914	-	8,800,145	-	5,608,914	8,800,145
Public works	5,823,114	-	4,094,786	-	5,823,114	4,094,786
Health	4,140,302	-	3,001,382	-	4,140,302	3,001,382
Human services	7,048,156	-	6,871,575	-	7,048,156	6,871,575
Community and economic development	197,211	-	348,467	-	197,211	348,467
Capital outlay	1,275,540	-	2,618,992	-	1,275,540	2,618,992
Debt service:						
Principal retirement	419,703	-	373,750	-	419,703	373,750
Interest and fiscal charges	67,624	-	76,689	-	67,624	76,689
Solid waste	-	1,001,715	-	1,006,091	1,001,715	1,006,091
Sewer and water	-	42,685	-	42,467	42,685	42,467
<b>Total cash disbursements</b>	<b>33,839,179</b>	<b>1,044,400</b>	<b>34,600,201</b>	<b>1,048,558</b>	<b>34,883,579</b>	<b>35,648,759</b>
Increase in net cash position before transfers	6,241,305	387,059	5,245,071	396,528	6,628,364	7,024,892
Transfers	(16,390)	16,390	(16,388)	16,388	-	-
<b>Change in net cash position</b>	<b>6,224,915</b>	<b>403,449</b>	<b>5,228,683</b>	<b>412,916</b>	<b>6,628,364</b>	<b>5,641,599</b>
<b>Net cash position at beginning of year (restated)</b>	<b>29,812,332</b>	<b>1,176,964</b>	<b>24,583,649</b>	<b>764,048</b>	<b>30,989,296</b>	<b>25,347,697</b>
<b>Net cash assets at end of year</b>	<b>\$ 36,037,247</b>	<b>\$ 1,580,413</b>	<b>\$ 29,812,332</b>	<b>\$ 1,176,964</b>	<b>\$ 37,617,660</b>	<b>\$ 30,989,296</b>

**BROWN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

**Governmental Activities**

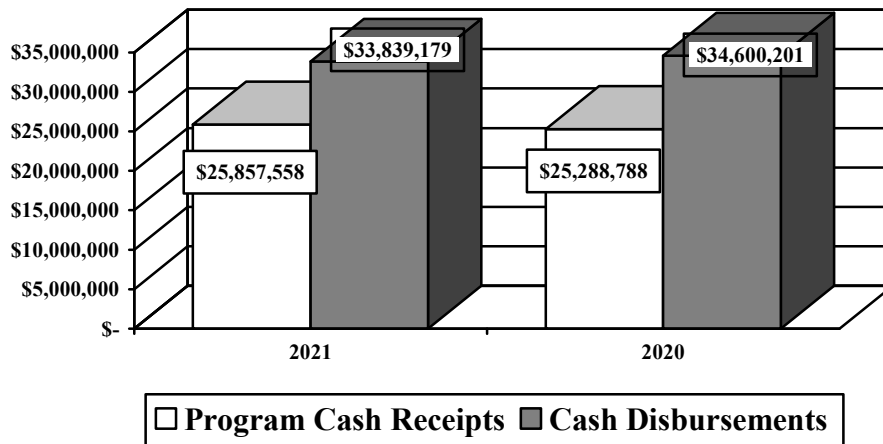
Governmental net cash position increased by \$6,224,915 in 2021 from the 2020 restated balance (see Note 3).

General government represents activities related to the governing body as well as activities that directly support County programs. In 2021, general government cash disbursements totaled \$9,258,615 or 27.36% of total governmental activities cash disbursements. General government programs were supported by \$3,971,756 in direct charges to users and \$910,102 in operating grants and contributions.

The County's human services programs accounted for \$7,048,156, or 20.83%, of total governmental activities cash disbursements. Human service programs include Public Assistance, Board of Developmental Disabilities, Child Support Enforcement, and Children Services. Human service programs are supported by \$679,786 in direct charges to users and \$6,091,372 in operating grants and contributions.

The Statement of Activities - Cash Basis shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2021 and 2020. That is, it identifies the cost of these services supported by tax receipts and unrestricted state grants and entitlements.

**Governmental Activities - Program Cash Receipts vs. Total Cash Disbursements**



**BROWN COUNTY, OHIO**

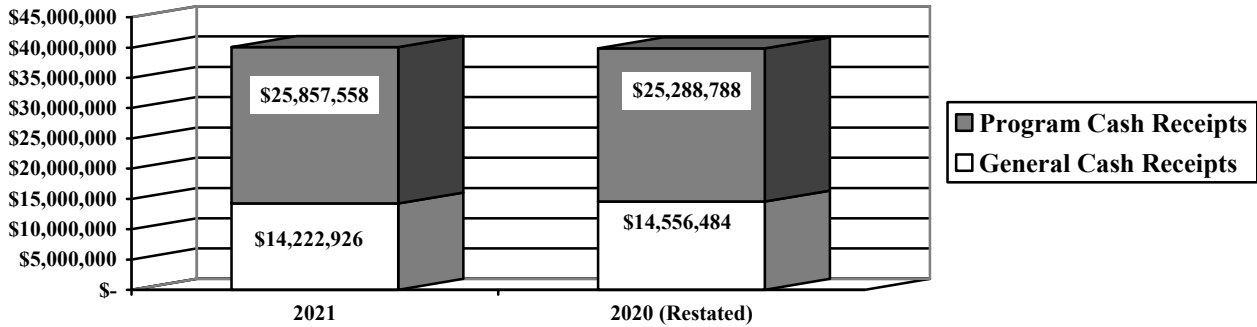
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

The table below shows the changes in net cost of services for 2021 and 2020.

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2021	2021	2020	2020
<b>Cash disbursements:</b>				
General government:				
Legislative and executive	\$ 4,919,011	\$ 2,284,422	\$ 4,280,730	\$ 2,596,387
Judicial	4,339,604	2,092,335	4,133,685	1,975,493
Public safety	5,608,914	565,546	8,800,145	2,110,556
Public works	5,823,114	(402,645)	4,094,786	69,073
Health	4,140,302	1,722,361	3,001,382	69,546
Human services	7,048,156	276,998	6,871,575	264,962
Community & economic development	197,211	(44,113)	348,467	40,296
Capital outlay	1,275,540	1,045,310	2,618,992	1,778,161
Debt service:				
Principal retirement	419,703	419,703	373,750	373,750
Interest and fiscal charges	67,624	21,704	76,689	33,189
<b>Total</b>	<b>\$ 33,839,179</b>	<b>\$ 7,981,621</b>	<b>\$ 34,600,201</b>	<b>\$ 9,311,413</b>

The dependence upon general cash receipts for governmental activities is apparent, with 23.59% of cash disbursements supported through taxes and other general cash receipts during 2021.

**Governmental Activities - General and Program Cash Receipts**



**Business-Type Activities**

The Solid Waste fund and the Sewer and Water fund are the County's enterprise funds.

These programs had cash operating receipts of \$1,431,459, cash disbursements of \$1,044,400, and transfers in of \$16,390 for 2021. The net cash position of the programs increased \$403,449 from the 2020 net position.



**BROWN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

**Financial Analysis of the Government's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The County's governmental funds are accounted for using the cash basis of accounting.

The County's governmental funds reported a combined fund cash balance of \$36,037,247, which is \$6,224,915 above last year's restated balance of \$29,812,332 (see Note 3).

The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2021 and December 31, 2020 for all major and nonmajor governmental funds.

	Fund Cash Balance December 31, 2021	Restated Fund Cash Balance December 31, 2020	Increase (Decrease)
Major Funds:			
General	\$ 12,287,225	\$ 10,032,932	\$ 2,254,293
ARPA	4,225,569	-	4,225,569
Job and Family Services	87,471	172,200	(84,729)
Auto and Gas Tax	1,673,677	1,695,381	(21,704)
Developmental Disabilities	4,454,470	4,712,811	(258,341)
Non-Major Funds:			
Other Governmental Funds	13,308,835	13,199,008	109,827
Total	<u>\$ 36,037,247</u>	<u>\$ 29,812,332</u>	<u>\$ 6,224,915</u>

**General Fund**

The General Fund, the County's largest major fund, had cash receipts and other financing sources of \$14,589,570 in 2021. The cash disbursements and other financing uses of the General Fund totaled \$12,335,277 in 2021. Of the total General Fund's cash disbursements, \$58,982 represents transfers and advances to other funds. The General Fund's cash balance increased \$2,254,293 from the 2020 balance, as restated (see Note 3).

The table that follows assists in illustrating the cash receipts of the General Fund. 2020 tax receipts have been restated to include the undivided tax allocation for December 31, 2020 in tax revenue (see Note 3).

	2021 Amount	Restated 2020 Amount	Percentage Change
<b>Cash Receipts:</b>			
Taxes	\$ 9,325,778	\$ 8,408,973	10.90 %
Charges for services	2,628,087	2,628,040	0.00 %
Fines and forfeitures	329,585	200,149	64.67 %
Intergovernmental	1,428,174	1,265,705	12.84 %
Investment income	214,839	432,044	(50.27) %
Other	629,530	1,108,297	(43.20) %
Total	<u>\$ 14,555,993</u>	<u>\$ 14,043,208</u>	3.65 %

**BROWN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Tax receipts increased during 2021 due to an increase in the collection of sales taxes. Receipts related to charges for services increased. Fines and forfeitures increased due to increased court fines. Intergovernmental receipts increased due to an increase in revenues from local governments. Investment income decreased due to a decrease in interest rates. Other receipts decreased during 2021 due to an increase in miscellaneous refunds and reimbursements.

The table that follows assists in illustrating the cash disbursements of the General Fund.

	2021 <u>Amount</u>	2020 <u>Amount</u>	Percentage <u>Change</u>
<b><u>Cash Disbursements</u></b>			
General government:			
Legislative and executive	\$ 4,160,437	\$ 3,632,659	14.53 %
Judicial	3,046,868	2,758,111	10.47 %
Public safety	4,152,345	2,917,462	42.33 %
Public works	76,986	70,110	9.81 %
Health	-	78,064	(100.00) %
Human services	397,010	327,830	21.10 %
Economic development	55,702	54,500	2.21 %
Capital outlay	36,423	176,552	(79.37) %
Debt service	350,524	356,289	(1.62) %
Total	<u>\$ 12,276,295</u>	<u>\$ 10,371,577</u>	<u>18.36 %</u>

General government disbursements increased 14.87% from the prior year. Legislative and executive disbursements increased due to increased salary and benefits. Public safety disbursements increased due to an increase in the costs related to the sheriff's department. Human services disbursements increased due to an increase in costs related to public assistance. Capital outlay decreased as the County was involved in fewer capital projects in 2021. All other disbursements remained comparable to the prior year or changed an insignificant amount.

**ARPA Fund**

The ARPA Fund had receipts of \$4,225,569. The ARPA Fund's fund balance increased \$4,225,569, from \$0 to \$4,225,569 during 2021 due to the County receiving grant money from ARPA during 2021. None of the grant money was spent in 2021.

**Job and Family Services Fund**

The Job and Family Services Fund had receipts and other financing sources of \$4,086,261 and disbursements and other financing uses of \$4,170,990. The Job and Family Services Fund's fund balance decreased \$84,729, from \$172,200 to \$87,471 during 2021.

**Auto and Gas Tax Fund**

The Auto and Gas Tax Fund had receipts of \$6,390,291 and disbursements of \$6,411,995. The Auto and Gas Tax Fund's fund balance decreased \$21,704, from \$1,695,381 to \$1,673,677 during 2021.

**Developmental Disabilities Fund**

The Developmental Disabilities Fund had receipts of \$1,999,408 and disbursements of \$2,257,749. The Developmental Disabilities Fund's fund balance decreased \$258,341, from a restated fund cash balance of \$4,712,811 (see Note 3) to \$4,454,470 during 2021.

## **BROWN COUNTY, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)**

#### **Budgeting Highlights - General Fund**

The County's appropriations are prepared according to Ohio law and are based on accounting for transactions on the basis of cash receipts, disbursements and encumbrances. The General Fund is the most significant budgeted fund.

During each year the General Fund budget is revised as needs arise. Records of the revisions are found in the Commissioners' Journals.

Original estimated receipts and other financing sources of \$11,915,731 were increased to \$14,892,788 in the final budget. Actual revenues and other financing sources of \$13,797,929 were \$1,094,859 less than final budgeted estimates. Original appropriations of \$12,917,104 were increased to \$13,941,698 in the final budget. Actual disbursements and other financing uses of \$12,279,514 were \$1,662,184 lower than the final budget.

#### **Capital Assets and Debt Administration**

##### **Capital Assets**

The County does not report capital assets in the accompanying basic financial statements, but records payments for capital assets as cash disbursements. The County had capital outlay disbursements of \$767,780 for governmental activities and \$48,686 for business-type activities during 2021.

##### **Debt Administration**

At December 31, 2021, the County had \$2,325,000 in general obligation bonds, \$643,344 in Ohio Public Works Commission (OPWC) loans, and \$105,728 in forgivable debt to governmental activities.

For further information, regarding the County's debt, refer to Note 13 to the basic financial statements.

##### **Current Financial Related Activities**

As the preceding information shows, the County heavily depends on its property taxpayers and sales taxpayers as well as intergovernmental monies. Since the property tax receipts do not grow at the same level as inflation and sales taxes are dependent upon the economy, the County will be faced with significant challenges over the next several years to contain costs and ultimately determine what options are available to the County to increase financial resources.

All of the County's financial abilities will be needed to meet the challenges of the future.

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

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

##### **Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jill Hall, County Auditor of Brown County, 800 Mt. Orab Pike, Suite 181, Georgetown, Ohio 45121, or email at [jhall@browncountyauditor.org](mailto:jhall@browncountyauditor.org).

**BROWN COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$ 36,037,247	\$ 1,580,413	\$ 37,617,660
<b>Net cash position:</b>			
Restricted for:			
Debt service	19	-	19
Capital projects	1,044,540	-	1,044,540
Public assistance	87,471	-	87,471
Mental health	1,590,917	-	1,590,917
Developmental disabilities	4,454,470	-	4,454,470
ARPA	4,225,569	-	4,225,569
Real estate assessment	2,607,275	-	2,607,275
CSEA	257,321	-	257,321
Childrens services	444,579	-	444,579
Auto and gas tax	1,673,677	-	1,673,677
Residential facility/developmental disabilities	674,717	-	674,717
Medicaid reserve	2,533,528	-	2,533,528
Treasurer DTAC	436,011	-	436,011
CDBG revolving loan	291,523	-	291,523
E-911 services	905,347	-	905,347
Other purposes	2,815,539	-	2,815,539
Unrestricted	<u>11,994,744</u>	<u>1,580,413</u>	<u>13,575,157</u>
Total net cash position	<u>\$ 36,037,247</u>	<u>\$ 1,580,413</u>	<u>\$ 37,617,660</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BROWN COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Program Cash Receipts</b>			
	<b>Disbursements</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	
<b>Governmental activities:</b>				
General government:				
Legislative and executive	\$ 4,919,011	\$ 2,471,861	\$ 162,728	\$ -
Judicial	4,339,604	1,499,895	747,374	-
Public safety	5,608,914	501,204	4,542,164	-
Public works	5,823,114	424,009	5,801,750	-
Health	4,140,302	208,122	2,209,819	-
Human services	7,048,156	679,786	6,091,372	-
Community and economic development	197,211	-	241,324	-
Capital outlay	1,275,540	-	-	230,230
Debt service:				
Principal retirement	419,703	-	-	-
Interest and fiscal charges	67,624	3,463	42,457	-
<b>Total governmental activities</b>	<b>33,839,179</b>	<b>5,788,340</b>	<b>19,838,988</b>	<b>230,230</b>
<b>Business-type activities:</b>				
Solid waste	1,001,715	1,402,818	-	-
Sewer and water	42,685	28,641	-	-
<b>Total business-type activities</b>	<b>1,044,400</b>	<b>1,431,459</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>\$ 34,883,579</b>	<b>\$ 7,219,799</b>	<b>\$ 19,838,988</b>	<b>\$ 230,230</b>

**General cash receipts:**

Property taxes levied for:

    General purposes

    Developmental disabilities

Sales taxes levied for:

    General purposes

    911 services

Grants and entitlements not restricted  
to specific programs

Investment earnings

Miscellaneous

Total general cash receipts

Transfers

Total general cash receipts  
and transfers

Change in net cash position

**Net cash position at beginning of year (restated)**

**Net cash position at end of year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Disbursements) Receipts  
and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (2,284,422)	\$ -	\$ (2,284,422)
(2,092,335)	-	(2,092,335)
(565,546)	-	(565,546)
402,645	-	402,645
(1,722,361)	-	(1,722,361)
(276,998)	-	(276,998)
44,113	-	44,113
(1,045,310)	-	(1,045,310)
(419,703)	-	(419,703)
(21,704)	-	(21,704)
<u>(7,981,621)</u>	<u>-</u>	<u>(7,981,621)</u>
-	401,103	401,103
-	(14,044)	(14,044)
<u>-</u>	<u>387,059</u>	<u>387,059</u>
<u>(7,981,621)</u>	<u>387,059</u>	<u>(7,594,562)</u>
3,125,926	-	3,125,926
1,229,405	-	1,229,405
6,199,852	-	6,199,852
1,239,144	-	1,239,144
1,584,230	-	1,584,230
214,839	-	214,839
629,530	-	629,530
14,222,926	-	14,222,926
<u>(16,390)</u>	<u>16,390</u>	<u>-</u>
<u>14,206,536</u>	<u>16,390</u>	<u>14,222,926</u>
6,224,915	403,449	6,628,364
29,812,332	1,176,964	30,989,296
<u>\$ 36,037,247</u>	<u>\$ 1,580,413</u>	<u>\$ 37,617,660</u>

**BROWN COUNTY, OHIO**

STATEMENT OF CASH ASSETS AND FUND CASH BALANCES  
GOVERNMENTAL FUNDS - CASH BASIS  
DECEMBER 31, 2021

	<u>General</u>	<u>ARPA</u>	<u>Job and Family Services</u>	<u>Auto and Gas Tax</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 12,287,225	\$ 4,225,569	\$ 87,471	\$ 1,673,677
<b>Fund cash balances:</b>				
Nonspendable	\$ 292,481	\$ -	\$ -	\$ -
Restricted	-	4,225,569	87,471	1,673,677
Assigned	441,471	-	-	-
Unassigned	11,553,273	-	-	-
Total fund cash balances	<u>\$ 12,287,225</u>	<u>\$ 4,225,569</u>	<u>\$ 87,471</u>	<u>\$ 1,673,677</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Developmental Disabilities</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<u>\$ 4,454,470</u>	<u>\$ 13,308,835</u>	<u>\$ 36,037,247</u>
\$ -	\$ -	\$ 292,481
4,454,470	13,308,835	23,750,022
-	-	441,471
-	-	11,553,273
<u>\$ 4,454,470</u>	<u>\$ 13,308,835</u>	<u>\$ 36,037,247</u>



**BROWN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUNDS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General</u>	<u>ARPA</u>	<u>Job and Family Services</u>	<u>Auto and Gas Tax</u>
<b>Cash receipts:</b>				
Sales taxes	\$ 6,199,852	\$ -	\$ -	\$ -
Real and other taxes	3,125,926	-	-	-
Charges for services	2,628,087	-	441,357	407,864
Licenses and permits	-	-	-	-
Fines and forfeitures	329,585	-	-	19,608
Intergovernmental	1,428,174	4,225,569	3,644,184	5,946,181
Investment income	214,839	-	-	15,638
Contributions and donations	-	-	-	-
Other	629,530	-	720	1,000
Total cash receipts	<u>14,555,993</u>	<u>4,225,569</u>	<u>4,086,261</u>	<u>6,390,291</u>
<b>Disbursements:</b>				
Current:				
General government:				
Legislative and executive	4,160,437	-	-	-
Judicial	3,046,868	-	-	-
Public safety	4,152,345	-	-	-
Public works	76,986	-	-	5,626,598
Health	-	-	-	-
Human services	397,010	-	4,117,519	-
Community and economic development	55,702	-	-	-
Capital outlay	36,423	-	-	739,444
Debt service:				
Principal retirement	310,000	-	-	45,953
Interest and fiscal charges	40,524	-	-	-
Total disbursements	<u>12,276,295</u>	<u>-</u>	<u>4,117,519</u>	<u>6,411,995</u>
Excess (deficiency) of cash receipts over (under) disbursements	<u>2,279,698</u>	<u>4,225,569</u>	<u>(31,258)</u>	<u>(21,704)</u>
<b>Other financing sources (uses):</b>				
Advances in and not repaid	-	-	-	-
Advances (out) and not repaid	(18,320)	-	-	-
Transfers in	33,577	-	-	-
Transfers (out)	(40,662)	-	(53,471)	-
Total other financing sources (uses)	<u>(25,405)</u>	<u>-</u>	<u>(53,471)</u>	<u>-</u>
Net change in fund cash balances	2,254,293	4,225,569	(84,729)	(21,704)
<b>Fund cash balances at beginning of year (restated)</b>	<u>10,032,932</u>	<u>-</u>	<u>172,200</u>	<u>1,695,381</u>
<b>Fund cash balances at end of year</b>	<u>\$ 12,287,225</u>	<u>\$ 4,225,569</u>	<u>\$ 87,471</u>	<u>\$ 1,673,677</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Developmental Disabilities</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 1,239,144	\$ 7,438,996
1,229,405	-	4,355,331
4,607	1,528,098	5,010,013
-	55,061	55,061
-	374,073	723,266
764,671	5,511,215	21,519,994
-	-	230,477
-	18,720	18,720
725	96,651	728,626
<u>1,999,408</u>	<u>8,822,962</u>	<u>40,080,484</u>
-	758,574	4,919,011
-	1,292,736	4,339,604
-	1,456,569	5,608,914
-	119,530	5,823,114
2,256,198	1,884,104	4,140,302
-	2,533,627	7,048,156
-	141,509	197,211
1,551	498,122	1,275,540
-	63,750	419,703
-	27,100	67,624
<u>2,257,749</u>	<u>8,775,621</u>	<u>33,839,179</u>
<u>(258,341)</u>	<u>47,341</u>	<u>6,241,305</u>
-	18,320	18,320
-	-	(18,320)
-	143,623	177,200
-	(99,457)	(193,590)
<u>-</u>	<u>62,486</u>	<u>(16,390)</u>
(258,341)	109,827	6,224,915
4,712,811	13,199,008	29,812,332
<u>\$ 4,454,470</u>	<u>\$ 13,308,835</u>	<u>\$ 36,037,247</u>

**BROWN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSMENTS, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Sales taxes	\$ 5,354,120	\$ 6,200,350	\$ 6,199,852	\$ (498)
Real and other taxes	2,703,248	3,135,000	3,130,251	(4,749)
Charges for services	1,719,236	2,106,847	1,990,804	(116,043)
Fines and forfeitures	284,626	378,232	329,585	(48,647)
Intergovernmental	1,233,355	1,683,458	1,428,174	(255,284)
Investment income	185,532	250,000	214,839	(35,161)
Other	413,204	1,112,951	478,474	(634,477)
Total receipts	<u>11,893,321</u>	<u>14,866,838</u>	<u>13,771,979</u>	<u>(1,094,859)</u>
<b>Disbursements:</b>				
Current:				
General government:				
Legislative and executive	4,795,915	5,243,537	4,244,972	998,565
Judicial	2,920,985	2,985,439	2,762,150	223,289
Public safety	4,140,228	4,365,819	4,193,755	172,064
Public works	78,376	78,376	76,986	1,390
Human services	572,542	632,198	399,205	232,993
Community and economic development	53,058	55,864	55,702	162
Debt service:				
Principal retirement	310,000	310,000	310,000	-
Interest and fiscal charges	46,000	46,000	40,524	5,476
Total disbursements	<u>12,917,104</u>	<u>13,717,233</u>	<u>12,083,294</u>	<u>1,633,939</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(1,023,783)</u>	<u>1,149,605</u>	<u>1,688,685</u>	<u>539,080</u>
<b>Other financing sources (uses):</b>				
Advances in and not repaid	22,410	25,950	25,950	-
Advances (out) and not repaid	-	(155,558)	(155,558)	-
Transfers (out)	-	(68,907)	(40,662)	28,245
Total other financing sources (uses)	<u>22,410</u>	<u>(198,515)</u>	<u>(170,270)</u>	<u>28,245</u>
Net change in fund balances	(1,001,373)	951,090	1,518,415	567,325
<b>Fund balance at beginning of year (restated)</b>	5,021,560	5,021,560	5,021,560	-
<b>Prior year encumbrances appropriated</b>	652,342	652,342	652,342	-
<b>Fund balance at end of year</b>	<u>\$ 4,672,529</u>	<u>\$ 6,624,992</u>	<u>\$ 7,192,317</u>	<u>\$ 567,325</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BROWN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSMENTS, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 ARPA FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Intergovernmental	\$ -	\$ 8,458,079	\$ 4,225,569	\$ (4,232,510)
Net change in fund balances	-	8,458,079	4,225,569	(4,232,510)
<b>Fund balance at beginning of year</b>	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 8,458,079</u>	<u>\$ 4,225,569</u>	<u>\$ (4,232,510)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BROWN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSMENTS, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 JOB AND FAMILY SERVICES FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Charges for services	\$ 34,253	\$ 41,357	\$ 41,357	\$ -
Intergovernmental	3,018,245	3,700,000	3,644,184	(55,816)
Other	596	35,000	720	(34,280)
Total receipts	<u>3,053,094</u>	<u>3,776,357</u>	<u>3,686,261</u>	<u>(90,096)</u>
<b>Disbursements:</b>				
Current:				
Human services	<u>4,657,188</u>	<u>4,783,084</u>	<u>4,205,663</u>	<u>577,421</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(1,604,094)</u>	<u>(1,006,727)</u>	<u>(519,402)</u>	<u>487,325</u>
<b>Other financing sources (uses):</b>				
Transfers in	331,906	500,000	400,739	(99,261)
Transfers (out)	<u>(50,000)</u>	<u>(54,000)</u>	<u>(53,471)</u>	<u>529</u>
Total other financing sources (uses)	<u>281,906</u>	<u>446,000</u>	<u>347,268</u>	<u>(98,732)</u>
Net change in fund balances	(1,322,188)	(560,727)	(172,134)	388,593
<b>Fund balance at beginning of year</b>	164,456	164,456	164,456	-
<b>Prior year encumbrances appropriated</b>	<u>7,744</u>	<u>7,744</u>	<u>7,744</u>	<u>-</u>
<b>Fund balance (deficit) at end of year</b>	<u>\$ (1,149,988)</u>	<u>\$ (388,527)</u>	<u>\$ 66</u>	<u>\$ 388,593</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BROWN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSMENTS, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 AUTO AND GAS TAX FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Charges for services	\$ 381,341	\$ 412,800	\$ 407,864	\$ (4,936)
Fines and forfeitures	18,333	20,500	19,608	(892)
Intergovernmental	5,084,770	5,464,500	5,438,421	(26,079)
Investment income	14,621	23,000	15,638	(7,362)
Other	935	107,000	1,000	(106,000)
Total receipts	<u>5,500,000</u>	<u>6,027,800</u>	<u>5,882,531</u>	<u>(145,269)</u>
<b>Disbursements:</b>				
Current:				
Public works	5,514,792	7,434,182	6,467,848	966,334
Capital outlay	<u>500,005</u>	<u>500,005</u>	<u>397,928</u>	<u>102,077</u>
Total disbursements	<u>6,014,797</u>	<u>7,934,187</u>	<u>6,865,776</u>	<u>1,068,411</u>
Net change in fund balances	(514,797)	(1,906,387)	(983,245)	923,142
<b>Fund balance at beginning of year</b>	1,180,584	1,180,584	1,180,584	-
<b>Prior year encumbrances appropriated</b>	<u>514,797</u>	<u>514,797</u>	<u>514,797</u>	<u>-</u>
<b>Fund balance (deficit) at end of year</b>	<u>\$ 1,180,584</u>	<u>\$ (211,006)</u>	<u>\$ 712,136</u>	<u>\$ 923,142</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BROWN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSMENTS, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 DEVELOPMENTAL DISABILITIES FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Real and other taxes	\$ 1,127,564	\$ 1,235,097	\$ 1,231,121	\$ (3,976)
Charges for services	4,219	20,000	4,607	(15,393)
Intergovernmental	700,350	918,066	764,671	(153,395)
Other	664	725	725	-
Total receipts	<u>1,832,797</u>	<u>2,173,888</u>	<u>2,001,124</u>	<u>(172,764)</u>
<b>Disbursements:</b>				
Current:				
Health	1,612,789	3,296,615	2,388,875	907,740
Capital outlay	15,000	15,000	1,551	13,449
Total disbursements	<u>1,627,789</u>	<u>3,311,615</u>	<u>2,390,426</u>	<u>921,189</u>
Net change in fund balances	205,008	(1,137,727)	(389,302)	748,425
<b>Fund balance at beginning of year (restated)</b>	4,405,161	4,405,161	4,405,161	-
<b>Prior year encumbrances appropriated</b>	307,650	307,650	307,650	-
<b>Fund balance at end of year</b>	<u>\$ 4,917,819</u>	<u>\$ 3,575,084</u>	<u>\$ 4,323,509</u>	<u>\$ 748,425</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BROWN COUNTY, OHIO**

STATEMENT OF NET CASH POSITION  
PROPRIETARY FUNDS - CASH BASIS  
DECEMBER 31, 2021

	<u>Solid Waste</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 1,565,629	\$ 14,784	\$ 1,580,413
<b>Net cash position:</b>			
Unrestricted	<u>1,565,629</u>	<u>\$ 14,784</u>	<u>1,580,413</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**BROWN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN NET CASH POSITION  
PROPRIETARY FUNDS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Solid Waste</b>	<b>Other Enterprise Funds</b>	<b>Total</b>
<b>Operating cash receipts:</b>			
Charges for services	\$ 1,402,818	\$ 28,641	\$ 1,431,459
<b>Operating cash disbursements:</b>			
Personal services	-	38,473	38,473
Contract services	953,029	4,212	957,241
Capital outlay	48,686	-	48,686
Total operating cash disbursements	<u>1,001,715</u>	<u>42,685</u>	<u>1,044,400</u>
Operating income (loss) before transfers	401,103	(14,044)	387,059
Transfer in	<u>-</u>	<u>16,390</u>	<u>16,390</u>
Change in net cash position	401,103	2,346	403,449
<b>Net cash position at beginning of year</b>	<u>1,164,526</u>	<u>12,438</u>	<u>1,176,964</u>
<b>Net cash position at end of year</b>	<u>\$ 1,565,629</u>	<u>\$ 14,784</u>	<u>\$ 1,580,413</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BROWN COUNTY, OHIO**

STATEMENT OF FIUCIARY NET CASH POSITION  
CUSTODIAL FUNDS - CASH BASIS  
DECEMBER 31, 2021

	<u>Custodial</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 3,800,929
Cash and cash equivalents in segregated accounts	<u>909,212</u>
Total assets	<u>4,710,141</u>
<b>Net cash position:</b>	
Restricted for individuals, organizations and other governments	<u>\$ 4,710,141</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BROWN COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET CASH POSITION  
CUSTODIAL FUNDS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Custodial</u>
<b>Additions:</b>	
Intergovernmental	\$ 3,364,463
Amounts received as fiscal agent	1,871,264
Licenses, permits and fees for other governments	24,171,870
Fines and forfeitures for other governments	3,558,010
Property tax collection for other governments	30,603,858
Special assessments collections for other governments	264,723
Contributions and donations	<u>3,538</u>
Total additions	<u>63,837,726</u>
<b>Deductions:</b>	
Distributions to the State of Ohio	23,895,679
Distributions of state funds to other governments	3,394,934
Distributions as fiscal agent	1,683,281
Licenses, permits and fees distributions to other governments	269,035
Fines and forfeitures distributions to other governments	3,127,020
Property tax distributions to other governments	30,612,123
Special assessment distributions to other governments	<u>264,723</u>
Total deductions	<u>63,246,795</u>
Net change in fiduciary net cash position	590,931
<b>Net cash position beginning of year (restated)</b>	<u>4,119,210</u>
<b>Net cash position end of year</b>	<u><u>\$ 4,710,141</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION

Brown County, Ohio (the “County”), is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County operates under the direction of a three-member Board of County Commissioners. The County Auditor is responsible for the fiscal controls of the resources of the County, which are maintained in the funds described herein. The County Treasurer is the custodian of funds and the investment officer. The voters of the County elect all of these officials. Other elected officials of the County that manage various segments of county operations are the Recorder, Clerk of Courts, Coroner, Engineer, Prosecutor, Sheriff, a Common Pleas Court Judge, and a Probate/Juvenile Judge. Services provided by the County include general government, public safety, health, public works, human services, maintenance of highways and roads, and economic development. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrators of public services for the entire County.

#### Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Brown County, this includes the Brown County Board of Developmental Disabilities, Brown County Board of Alcohol, Drug Addiction and Mental Health Services, Brown County Solid Waste Management District, Brown County Airport and all departments and activities that are directly operated by the elected County officials.

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of separate agencies, boards and commissions listed below the County serves as fiscal agent, but is not financially accountable for, their operations. Accordingly, the activity of the following districts and agencies is presented as custodial funds within the County’s financial statements.

Soil and Water Conservation District  
Brown County Health District  
Family and Children First Council

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization’s governing board and (1) the County is able to significantly influence the programs and services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization’s resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the County is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the County in that the County approves the organization’s budget, the issuance of its debt or levying of its taxes. The County had no component units at December 31, 2021.

The County is associated with certain organizations, which are defined as joint ventures, jointly governed organizations or risk sharing pool and a group purchasing pool. These organizations are:

Brown County Emergency Management Agency  
Ohio Valley Resource Conservation and Development Area, Inc.  
Workforce Development Board  
County Risk Sharing Authority (CORSA)  
County Commissioners’ Association of Ohio Workers’ Compensation Group Rating Program

*Brown County Emergency Management Agency* - Brown County Emergency Management Agency is a joint venture between the County, Townships and Villages. The executive committee consists of a county commissioner, seven chief executives from municipalities and sixteen from townships, with money provided by the members, which is reimbursed by the State. The degree of control is limited to the individual representation on the board.

## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION - (Continued)

*Ohio Valley Resource Conservation and Development Area, Inc.* - Ohio Valley Resource Conservation and Development Area, Inc. is a jointly governed organization that is operated as a non-profit corporation. The Ohio Valley Resource Conservation and Development Area, Inc. was created to aid regional planning to participating counties. Brown County, along with Ross, Vinton, Highland, Pike, Adams, Scioto, Jackson, Gallia, and Lawrence Counties, each appoint three members to a 30-member council. The Council selects an administrator to oversee operations. Each entity contributes \$250 annually; other revenue is from USDA grants. Brown County does not have any ongoing financial interest or responsibilities, nor can it significantly influence management.

*Workforce Development Board* – The Workforce Development Board is a jointly governed organization of representatives from the private and public sectors of Adams, Brown, Pike and Scioto Counties appointed by the county commissioners from each county. Workforce Development Board is a 22-member volunteer, business led body whose members are appointed by the County Commissioners in Adams, Brown, Pike and Scioto Counties, to shape and strengthen local and regional workforce development efforts. The Workforce Development Board brings together leaders from business, economic development, education, labor, community-based organizations, and public agencies to align a variety of resources to enhance the competitiveness of the workforce and support economic development in our region. The Workforce Advisory Board received no contributions from the County during 2021.

*County Risk Sharing Authority (CORSA)* - County Risk Sharing Authority (CORSA) is a shared risk pool among sixty-five 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 coverage provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public official's errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of CORSA. County Commissioners of members' counties are eligible to serve on the Board of Trustees. 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.

The County's payment for insurance of CORSA in 2021 was \$185,456. Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

*County Commissioners' Association of Ohio Workers' Compensation Group Rating Program* - The County is participating in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners' Association of Ohio (WCGRP) is a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates; approving the selection of a third-party administrator; reviewing and approving proposed third-party fees, fees for risk management services, and general management fees; determining ongoing responsibility of each participant; and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and the treasurer of the County Commissioners' Association of Ohio, and the remaining five members are elected by participants at a meeting held in the month of December each year. No participant can have more than one member on the group executive committee in any year, and each elected member shall be a county commissioner.

## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

##### A. Basis of Presentation

The County uses the provisions of Governmental Accounting Standards Board (GASB) 34 for financial reporting on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and GASB 38, for certain financial statement note disclosures. The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

##### Government-Wide Financial Statements

The statement of net position-cash basis presents the cash basis financial condition of the governmental and business-type activities of the County at year-end. The statement of activities-cash basis presents a comparison between direct cash disbursements and program cash receipts for each program or function of the County's governmental activities and business-type activities. These statements include the financial activities of the primary government, except for fiduciary funds. Direct cash disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the County. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental function or business-type program is self-financing or draws from the general cash 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 fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

##### B. Fund Accounting

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

**Governmental Funds:** Governmental funds are those through which most governmental function of the County are financed. The acquisition, use and balances of the County's expendable financial resources are accounted for through governmental funds. The following are the County's major governmental funds:

###### *General Fund*

The General Fund accounts for all financial resources except for those accounted for in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to Ohio law.

## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

##### *American Rescue Plan Act (ARPA) Fund*

This fund is to account for the receipts and disbursements related to the federal grant received by the County from the American Rescue Plan Act.

##### *Job and Family Services Fund*

This fund accounts for various federal and state grants as well as transfers from the General Fund used to provide public assistance to general relief recipients, pay their providers of medical assistance, and for certain public social services.

##### *Auto and Gas Tax Fund*

This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges.

##### *Developmental Disabilities Fund*

This fund is to account for the operation of a school for the developmentally disabled and handicapped. Revenue sources are a county-wide property tax levy and federal and state grants.

The other governmental funds of the County account for grants and other resources, capital projects, and debt service whose use is restricted for a particular purpose.

**Proprietary Funds:** The County classifies funds financed primarily from user charges for goods or services as proprietary. Enterprise funds are the County's only proprietary fund type.

##### *Enterprise Funds*

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. For the County, enterprise funds are the major Solid Waste Fund, which is used to account for the activities related to solid waste disposal in the County, and the non-major Sewer and Water Fund, which is used to account for sewer and water activities in the County.

**Fiduciary Funds:** Fiduciary fund reporting focuses on cash basis assets and changes in net cash 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, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County has no trust funds. The County's only fiduciary funds are custodial funds that account for assets held by the County for political subdivisions for which the County acts as a fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

#### C. Basis of Presentation

Although required by Ohio Administrative Code Section 117-2-03 (B) to prepare its financial report in accordance with accounting principles generally accepted in the United States of America (GAAP), the County chooses to prepare its financial statements and notes in accordance with the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved). These statements include adequate disclosure of material matters, in accordance with the basis of accounting described above.

## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and liabilities 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. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of cash basis accounting.

#### **D. Budgetary Data**

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

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

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

#### **E. Cash and Investments**

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. Accordingly, investments of the cash management pool are reported as "Equity in Pooled Cash and Cash Equivalents."

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.

During 2021, investments were limited to nonnegotiable certificates of deposits and the State Treasury Asset Reserve of Ohio (STAR Ohio). On the cash basis of accounting, investments of nonnegotiable certificates of deposit are reported at cost.

Cash in segregated accounts are held outside of the County's depository.



## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The County has invested funds in STAR Ohio during 2021. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The County measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculate on an amortized cost basis that provides an NAV per share the approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by provisions of the Ohio Revised Code. Investment receipts credited to the General Fund in 2021 amounted to \$214,839 which includes \$152,244 assigned from other funds.

#### **F. Inventory and Prepaid Items**

The County reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying basic 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 basic 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 basic financial statements. In the government-wide financial statements advances within governmental activities or within business-type activities are eliminated.

#### **I. Accumulated Unpaid Vacation, Personal, Compensatory Time & Sick Leave**

Accumulated unpaid vacation, personal, compensatory time and sick leave are not accrued under the cash basis of accounting described in Note 2.C. All leave will either be absorbed by time off from work, or within certain limitation, be paid to the employees. The liability is not recorded in the accompanying basic financial statements.

#### **J. Employer Contributions to Cost-Sharing Pension Plans**

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**K. Long-Term Obligations**

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

**L. Net Position**

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for grants. The County applies restricted resources when a cash disbursement is made for purposes for which both restricted and unrestricted net position is available. Of the County's \$23,750,022 in restricted net cash position, none is restricted by enabling legislation.

**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 cash balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact.

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

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

Committed - The committed fund cash balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of County Commissioners (the highest level of decision-making authority). Those committed amounts cannot be used for any other purpose unless the County Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund cash 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.

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Assigned* - Amounts in the assigned fund cash balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund cash balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of County Commissioner, which includes giving the County Auditor the authority to constrain monies for intended purposes.

*Unassigned* - Unassigned fund cash 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 only used to report a deficit fund cash balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**N. 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 and after nonoperating receipts/ disbursements in proprietary funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

**O. Pensions and Net Post Employment Benefit liability**

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

## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

##### A. Change in Accounting Principles

For 2021, the County has implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. Since the County does not prepare financial statements using generally accepted accounting principles, the implementation of GASB 89 did not have an effect on the financial statements of the County.

For 2021, the County has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncements are postponed by one year and the County has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following pronouncements are postponed by eighteen months and the County has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

##### B. Compliance

Ohio Administrative Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with GAAP. However, the County prepared its basic financial statements on a cash basis, which is a comprehensive basis of accounting other than GAAP. The accompanying basic financial statements omit assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)**

**C. Restatement of Fund Cash Balance and Net Cash Position**

The County has restated fund cash balances and net cash position due to (1) a fund reclassification of clearing accounts previously reported as custodial funds for which the County has administrative involvement (GASB 84), and (2) to report a portion of the undivided tax custodial fund cash balance in the proper governmental funds for their portion of the taxes collected and not yet to be distributed.

Fund cash balances have been restated as follows:

	<u>General</u>	<u>Developmental Disabilities</u>	<u>Job and Family Services</u>
Fund cash balance as previously reported	\$ 9,209,406	\$ 4,637,141	\$ 172,200
Fund reclassifications	632,749	-	-
Undivided tax allocation	<u>190,777</u>	<u>75,670</u>	<u>-</u>
Restated fund cash balance, at December 31, 2020	<u>\$ 10,032,932</u>	<u>\$ 4,712,811</u>	<u>\$ 172,200</u>
	<u>Auto and Gas Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund cash balance as previously reported	\$ 1,695,381	\$ 13,199,008	\$ 28,913,136
Fund reclassifications	-	-	632,749
Undivided tax allocation	<u>-</u>	<u>-</u>	<u>266,447</u>
Restated fund cash balance, at December 31, 2020	<u>\$ 1,695,381</u>	<u>\$ 13,199,008</u>	<u>\$ 29,812,332</u>

Net cash position has been restated as follows:

	<u>Governmental Activities</u>	<u>Custodial Funds</u>
Net cash position as previously reported	\$ 28,913,136	\$ 5,018,406
Fund reclassifications	632,749	(632,749)
Undivided tax allocation	<u>266,447</u>	<u>(266,447)</u>
Restated net cash position at December 31, 2020	<u>\$ 29,812,332</u>	<u>\$ 4,119,210</u>

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)**

In addition to the above, the unencumbered fund balance of the General Fund and the Developmental Disabilities Fund on the statement of receipts, disbursements and changes in fund balance - budget and actual - budgetary basis have been restated for the reasons mentioned above.

Budgetary basis fund balances have been restated as follows:

	<u>General Fund</u>	<u>Developmental Disabilities</u>
Budgetary basis fund		
balance as previously reported	\$ 4,198,034	\$ 4,329,491
Fund reclassifications	632,749	-
Undivided tax allocation	<u>190,777</u>	<u>75,670</u>
Restated budgetary basis fund		
balance at December 31, 2020	<u>\$ 5,021,560</u>	<u>\$ 4,405,161</u>

**NOTE 4 – 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 receipts, disbursements, and changes in fund balance – budget and actual – budgetary basis presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as expenditures (budgetary basis) rather than as a restriction, commitment, or assignment of fund balance (cash basis) and certain funds being reported as part of the general fund for cash reporting purposes but being excluded for budgetary reporting purposes.

The reconciliation between the cash basis change in fund balances and the net change in budgetary basis fund balances for the general fund and the major special revenue funds is as follows:

	<u>General</u>	<u>ARPA</u>	<u>Job and Family Services</u>	<u>Auto and Gas Tax</u>	<u>Developmental Disabilities</u>
Budget basis	\$ 1,518,415	\$ 4,225,569	\$ (172,134)	\$ (983,245)	\$ (389,302)
Net adjustment for receipt	(66,147)	-	-	-	(1,716)
Net adjustment for disbursement	(83,042)	-	739	-	-
Net adjustment for other sources/uses	144,865	-	(739)	-	-
Funds budgeted elsewhere	298,731	-	-	-	-
Adjustment for encumbrances	<u>441,471</u>	<u>-</u>	<u>87,405</u>	<u>961,541</u>	<u>132,677</u>
Cash basis	<u>\$ 2,254,293</u>	<u>\$ 4,225,569</u>	<u>\$ (84,729)</u>	<u>\$ (21,704)</u>	<u>\$ (258,341)</u>

## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### NOTE 5 – CASH DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;

## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### NOTE 5 – CASH DEPOSITS AND INVESTMENTS - (Continued)

9. Up to forty percent of the County's average portfolio, if training requirements have been met 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 exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
  - b. Bankers' acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 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 doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County.

Protection of the 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.

Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

#### **Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2021, the carrying amount of all County deposits was \$41,895,487 and the bank balance was \$42,929,012. Of the bank balance, \$24,175,519 was covered by the FDIC and \$18,753,493 was uninsured and collateralized.



**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 5 – CASH DEPOSITS AND INVESTMENTS - (Continued)**

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

Eligible securities pledged to the County and deposited either with qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires 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.

**Investments**

The fair value of these investments is not materially different than measurement value. As of December 31, 2021, the County had the following investments:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturity 6 months or less</u>
<i>Amortized cost:</i>		
STAR Ohio	\$ 429,314	\$ 429,314

*Interest Rate Risk:* Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The County’s investment policy addresses interest rate risk by requiring that the County’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short term investments.

*Credit Risk:* STAR Ohio carries a rating of AAAM by Standard and Poor’s. The County has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The County has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

*Concentration of Credit Risk:* The County places no limit on the amount it may invest in any one issuer. The County has invested 100% of its investments in STAR Ohio.

**BROWN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 5 – CASH DEPOSITS AND INVESTMENTS - (Continued)**

**Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2021:

Cash and investments per note

Carrying amount of deposits	\$ 41,895,487
Investments	429,314
Cash on hand	3,000
Total	<u>\$ 42,327,801</u>

Cash and investments per statement of net position

Governmental activities	\$ 36,037,247
Business-type activities	1,580,413
Custodial funds	4,710,141
Total	<u>\$ 42,327,801</u>

**NOTE 6 – PERMISSIVE SALES TAX**

In 1990, in accordance with ORC 5739.021 of the Revised Code, the County Commissioners, by resolution, imposed a 1% 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. Vendor collections of tax are paid to the State Treasurer by the 23rd day of the month following collection. The State Tax Commissioner certified to the Ohio Department of Budget and Management (OBM) 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 each month. The OBM then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited to the General Fund. For 2021, permissive sales tax receipts amounted to \$6,199,852 in the General Fund.

In 1993 an additional ½% sales and use tax was passed, and then rolled back to ¼%, by the voters for the purpose of funding and operation of a 9-1-1 system in the County. Proceeds of the tax are credited to the 9-1-1 Emergency Fund (a nonmajor governmental fund). For 2021, permissive sales tax receipts amounted to \$1,239,144 in the 9-1-1 Emergency Fund.

**NOTE 7 – PROPERTY TAX**

Property taxes include amounts levied against all real and public utility located in the County. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

**BROWN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 7 – PROPERTY TAX - (Continued)**

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Brown County Treasurer collects property tax on behalf of all taxing districts within the County. The Brown County Auditor periodically remits to the taxing districts their portions of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County’s tax collection is accounted for within the applicable funds. The full tax rate for all County operations for the year ended December 31, 2021 was \$7.85 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 752,294,230
Commercial/industrial/mineral	74,602,920
Public utility personal property	<u>52,916,260</u>
Total assessed value	<u>\$ 879,813,410</u>

**NOTE 8 – RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. By participating in the County Risk Sharing Authority (CORSA), a risk sharing pool for liability, property, auto, and crime insurance, the County has addressed these various types of risk.

CORSA, a non-profit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime insurance coverage for its members. CORSA was established May 12, 1987, and has grown to sixty-five members. Under the CORSA program general liability, auto liability, error and omission liability, and law enforcement liability are covered in the amount of \$1,000,000, with a \$2,500 deductible. The limit applies to any one occurrence of loss, with no annual aggregate except for the Error and Omissions Liability and General Liability on Products and Completed Operations Limit, which both have the same per occurrence and annual aggregate limit. In addition, the County has \$9,000,000 of excess liability coverage, which has no deductible. This coverage is for claims in excess of underlying limits for general liability, law enforcement liability, automotive liability, and errors and omissions liability, with the exception of stop gap liability and uninsured/underinsured motorists. Real and personal property damage is on a replacement cost basis. Equipment breakdown coverage has a combined limit with property damage, business income, extra expense, and service interruption of \$100,000,000 for each breakdown. There are several additional sublimits which have various coverage amounts for each accident. Settled claims have not exceeded this commercial coverage in any of the last three years.

There have been no significant reductions in coverage from last year.

## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### **NOTE 8 – RISK MANAGEMENT - (Continued)**

Employee dishonesty/faithful performance, money and securities (loss inside and out the premises), money orders and counterfeit currency, and depositor's forgery are covered in the amount of \$1,000,000 aggregate per occurrence.

Workers' Compensation benefits are provided through the Ohio Bureau of Workers' Compensation. In 2021, the County participated in the County Commissioner's Association of Ohio Workers' Compensation Group Rating Program (WCGRP), a workers' compensation group purchasing pool (See Note 1). The intent of the WCGRP is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the WCGRP. Each participant pays its workers' compensation premium to the State based on the rate for the WCGRP rather than its individual rate.

In order to allocate the savings derived by formation of the WCGRP and to maximize the number of participants in the WCGRP, annually the WCGRP's executive committee calculates the total savings that accrued to the WCGRP through its formation. This savings is then compared to the overall savings percentage of the WCGRP. The WCGRP's executive committee then collects rate contributions from, or pays rate equalization rebates to the various participants. Participation in the WCGRP is limited to counties that can meet the WCGRP's selection criteria. The firm of CompManagement Inc. provides administrative cost control and actuarial services to the WCGRP. Each year, the County pays an enrollment fee to the WCGRP to cover the cost of administering the WCGRP.

The County may withdraw from the WCGRP if written notice is provided sixty days prior to the prescribed applicant deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the WCGRP prior to withdrawal, and any participant leaving the WCGRP allows representatives of the WCGRP to access loss experience for years following the last year of participation.

#### **NOTE 9 - DEFINED BENEFIT PENSION PLANS**

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

##### **Net Pension Liability and Net OPEB 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 liability and the net OPEB asset represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

**BROWN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

GASB 68/75 assumes the liability/asset 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. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

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

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

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

Plan Description - County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 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 initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### **NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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

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

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
<b>2021 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
<b>2021 Actual Contribution Rates</b>			
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.
- \*\*\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance
- \*\*\*\* This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

The County's contractually required contribution for the Traditional Pension Plan was \$1,792,412 for 2021.

**Net Pension Liability**

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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>OPERS</u>
Proportion of the net pension liability prior measurement date	0.08007500%
Proportion of the net pension liability current measurement date	<u>0.08286500%</u>
Change in proportionate share	<u>0.00279000%</u>
Proportionate share of the net pension liability	\$ 12,270,502



**BROWN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

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

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

During 2020, 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 11.70% for 2020.

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.32 %
Domestic equities	21.00	5.64
Real estate	10.00	5.39
Private equity	12.00	10.42
International equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2020 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate** - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability	\$ 23,406,048	\$ 12,270,502	\$ 3,011,314

**BROWN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS**

*Net OPEB Asset*

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

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

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

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

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

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

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

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

## BROWN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2021, OPERS did not allocate any employer contributions to post-employment health care.

#### *Net OPEB Assets*

The net OPEB asset and total OPEB asset for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB asset was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities.

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Following is information related to the proportionate share:

	<u>OPERS</u>
Proportion of the net OPEB liability prior measurement date	0.07749500%
Proportion of the net OPEB asset current measurement date	<u>0.08029400%</u>
Change in proportionate share	<u>0.00279900%</u>
 Proportionate share of the net OPEB asset	 \$ 1,430,502

***Actuarial Assumptions - OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate	
Current measurement date	8.50% initial, 3.50% ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

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

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

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

During 2020, 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 contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 10.50% for 2020.

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

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

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

**Discount Rate** - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Change in Benefit Terms*** - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the County at December 31, 2021. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

***Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate*** - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB asset	\$ 355,702	\$ 1,430,502	\$ 2,314,073

***Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate*** - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

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

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB asset	\$ 1,465,366	\$ 1,430,502	\$ 1,391,495



**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 11 - OTHER EMPLOYEE BENEFITS**

*Insurance Benefits*

The County provides life insurance and accidental death and dismemberment insurance to most employees through Medical Life Insurance. The County has elected to provide employee medical/surgical benefits through County Employee Benefit Consortium of Ohio (CEBCO). The premium varies with employee depending on the department and terms of the union contract. The County does not share in the cost of premiums for dental or vision insurance.

**NOTE 12 - CONTINGENCIES**

**A. Grants**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, the County Commissioners believe such refunds, if any, would not be material.

**B. Litigation**

The County has various cases pending, the outcome of which is not determinable as of the date of this report; however, management believes that the resolution of these matters will not materially adversely affect the County's financial condition.

**NOTE 13 - LONG-TERM DEBT**

The changes in the County's long-term obligations during the year consist of the following:

	Balance 12/31/20	Additions	Reductions	Balance 12/31/21	Amounts Due in One Year
<u>Governmental activities:</u>					
<i>General Obligation Bonds:</i>					
Jailhouse Construction Bonds	\$ 2,295,000	\$ -	\$ (310,000)	\$ 1,985,000	\$ 320,000
Emergency Communications Systems Limited Tax Bonds	<u>395,000</u>	<u>-</u>	<u>(55,000)</u>	<u>340,000</u>	<u>60,000</u>
Total General Obligation Bonds	<u>2,690,000</u>	<u>-</u>	<u>(365,000)</u>	<u>2,325,000</u>	<u>380,000</u>
<i>OPWC Loans (direct borrowings):</i>					
Brown County and Mt. Orab Paving	<u>689,297</u>	<u>-</u>	<u>(45,953)</u>	<u>643,344</u>	<u>45,953</u>
<i>Forgivable Debt</i>					
Mental Health Forgivable debt	<u>114,478</u>	<u>-</u>	<u>(8,750)</u>	<u>105,728</u>	<u>8,750</u>
Total governmental activities	<u>\$ 3,493,775</u>	<u>\$ -</u>	<u>\$ (419,703)</u>	<u>\$ 3,074,072</u>	<u>\$ 434,703</u>

The County's total legal debt margin was \$90,055,427 with an unvoted debt margin of \$48,389,738.

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 13 - LONG-TERM DEBT - (Continued)**

During fiscal year 2010, the County issued \$800,000 in Emergency Communication Systems Limited Tax General Obligation Bonds to finance improvements to the County’s emergency communications systems. These bonds were issued at interest rates ranging from 4.7% to 7.0% and mature December 1, 2026. These bonds are being retired from the E-911 ¼% Sales Tax Fund.

In fiscal year 2017, the County issued \$3,200,000 in Jailhouse Facilities Improvement Bonds in order to construct a new Jailhouse. The bonds will mature on December 1, 2027. These bonds are being retired from the General Fund.

Forgivable debt consists of construction loans and a loan contract made between the Brown County Community Board of Alcohol, Drug Addiction, and Mental Health Services (the Board) and the Ohio Department of Mental Health (ODMH), for the purchase of land and building construction thereon for the use in providing mental health services to the residents of the County. The terms of the contract are essentially equivalent to a mortgage on the property, with the Board being obligated to provide mental health services for a period of 40 years from the inception of the contract. Should the Board discontinue mental health services at the facility, the balance of the contract would immediately become due. Failure to pay the balance could result in foreclosure by ODMH. The balance due is reduced on a month- by-month basis over the term of the contract as long as the facility is used for mental health services. The mortgage payable represents twenty-five percent of the land purchase and construction costs which the County was required to pay.

**Direct Borrowing**

*Ohio Public Works Commission (OPWC)*

In 2020, the County entered into agreement CO14W with the Ohio Public Works Commission (OPWC) to finance the Mt. Orab paving project. The loan was in the amount of \$689,297. The loan carries a 0% interest rate and matures July 2035.

In the event of a default, (1) OPWC may apply late fees of 8 percent per year, (2) loans more than sixty days late will be turned over to the Attorney General’s office for collection, and (3) the outstanding amounts shall, at OPWC’s option, become immediately due and payable.

A summary of amortization requirements for the County’s long-term debt is as follows:

<u>Year Ended</u>	<u>Energy Communication General Obligation Bonds</u>		<u>Jailhouse Improvement General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 60,000	\$ 23,800	\$ 320,000	\$ 34,738
2023	65,000	19,600	320,000	29,138
2024	70,000	15,050	330,000	23,538
2025	70,000	10,150	330,000	17,762
2026	75,000	5,250	335,000	11,988
2027	-	-	350,000	6,125
Total	<u>\$ 340,000</u>	<u>\$ 73,850</u>	<u>\$ 1,985,000</u>	<u>\$ 123,289</u>

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 13 - LONG-TERM DEBT - (Continued)**

Year Ending December 31,	Forgivable	<i>Direct</i>
	Debt	<u>Borrowings</u> OPWC Loans
	Principal	Principal
2022	\$ 8,750	\$ 45,953
2023	8,750	45,953
2024	8,750	45,953
2025	8,750	45,953
2026	8,750	45,953
2027 - 2031	43,750	229,765
2032 - 2036	<u>18,228</u>	<u>183,814</u>
Totals	<u>\$ 105,728</u>	<u>\$ 643,344</u>

**NOTE 14 - INTERFUND TRANSACTIONS**

**A. Transfers**

Interfund cash transfers for the year ended December 31, 2021, were as follows:

Transfers To	Transfers From			Total
	General	Job and Family Services	Nonmajor Governmental	
General fund	\$ -	\$ -	\$ 33,577	\$ 33,577
Nonmajor governmental funds	24,272	53,471	65,880	143,623
Nonmajor enterprise funds	<u>16,390</u>	<u>-</u>	<u>-</u>	<u>16,390</u>
Total	<u>\$ 40,662</u>	<u>\$ 53,471</u>	<u>\$ 99,457</u>	<u>\$ 193,590</u>

Transfers are used to (1) move cash receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) to use unrestricted cash receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated on the government-wide financial statements. Only transfers between governmental funds and enterprise funds are reported on the statement of activities – cash basis.

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 14 - INTERFUND TRANSACTIONS - (Continued)**

**B. Advances**

Advances in/advances out consisted of the following at December 31, 2021 as reported on the fund statement:

<u>Advances In</u>	<u>Advances Out</u>	<u>Amount</u>
Nonmajor governmental funds	General Fund	<u>\$ 18,320</u>

Advances between governmental funds are eliminated on the government-wide financial statements.

**NOTE 15 - COVID-19**

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

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

During 2021, the County received \$4,225,569 in American Rescue Plan Act (ARPA) money.

**BROWN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 16 - FUND BALANCE**

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

Fund balance	General	ARPA	Job and Family Services	Auto and Gas Tax	Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Unclaimed funds	\$ 292,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 292,481
Total nonspendable	<u>292,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,481</u>
Restricted:							
Other purposes	-	-	-	-	-	2,523,058	2,523,058
ARPA	-	4,225,569	-	-	-	-	4,225,569
E-911 services	-	-	-	-	-	905,347	905,347
CSEA	-	-	-	-	-	257,321	257,321
Residential Facility/DD	-	-	-	-	-	674,717	674,717
Real estate assessment	-	-	-	-	-	2,607,275	2,607,275
Children services	-	-	-	-	-	444,579	444,579
Mental health	-	-	-	-	-	1,590,917	1,590,917
Auto and gas tax	-	-	-	1,673,677	-	-	1,673,677
Public assistance	-	-	87,471	-	-	-	87,471
Board of DD	-	-	-	-	4,454,470	-	4,454,470
Medicaid reserve	-	-	-	-	-	2,533,528	2,533,528
Treasurer DTAC	-	-	-	-	-	436,011	436,011
CDBG revolving loan	-	-	-	-	-	291,523	291,523
Debt service payments	-	-	-	-	-	19	19
Capital improvements	-	-	-	-	-	1,044,540	1,044,540
Total restricted	<u>-</u>	<u>4,225,569</u>	<u>87,471</u>	<u>1,673,677</u>	<u>4,454,470</u>	<u>13,308,835</u>	<u>23,750,022</u>
Assigned:							
Legislative & executive	312,101	-	-	-	-	-	312,101
Judicial	85,764	-	-	-	-	-	85,764
Public safety	41,411	-	-	-	-	-	41,411
Human services	2,195	-	-	-	-	-	2,195
Total assigned	<u>441,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>441,471</u>
Unassigned	<u>11,553,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,553,273</u>
Total fund balances	<u>\$ 12,287,225</u>	<u>\$ 4,225,569</u>	<u>\$ 87,471</u>	<u>\$ 1,673,677</u>	<u>\$ 4,454,470</u>	<u>\$ 13,308,835</u>	<u>\$ 36,037,247</u>

**BROWN COUNTY, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2021**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Passed-Through Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G2021-11-5902	\$ -	\$ 424,822
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>-</b>	<b>424,822</b>
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>				
<i>(Passed through the Ohio Office of Budget and Management)</i>				
COVID-19 Coronavirus Relief Fund	21.019	HB481-CRF-Local	-	1,104
<i>(Passed through the Ohio Department of Mental Health)</i>				
COVID-19 Coronavirus Relief Fund - Mental Health	21.019	2021-DMHF20CARE	12,750	12,750
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			<b>12,750</b>	<b>13,854</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>(Passed through the Ohio Department of Development)</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				
Formula Allocation Program	14.228	B-F-19-1AH-1	-	4,738
Formula Allocation Program	14.228	B-C-20-1AH-1	-	67,036
Total Formula Allocation Program			-	71,774
Home Investment Partnerships Program	14.239	B-C-20-1AH-2	-	43,472
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>-</b>	<b>115,246</b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<i>(Passed through the Ohio Attorney General)</i>				
Crime Victim Assistance	16.575	2022-VOCA-134713975	-	53,143
<i>(Passed through the Ohio Attorney General)</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JG-A01-6035	-	2,341
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>-</b>	<b>55,484</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
<i>(Passed through the Ohio Department of Commerce)</i>				
E-911 Grant Program	20.615	69N37619300000911OH0	-	33,664
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b>-</b>	<b>33,664</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>				
<i>(Passed through the Ohio Emergency Management Agency)</i>				
Hazard Mitigation Grant Program (HMGP)	97.039	DR-4447.10-P-OH	-	9,670
Emergency Management Performance Grants	97.042	EMC-2020-EP-00004	-	32,070
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<b>-</b>	<b>41,740</b>

(continued)

**BROWN COUNTY, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued**  
**YEAR ENDED DECEMBER 31, 2021**

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

<i>(Passed through the Ohio Department of Job and Family Services)</i>				
Promoting Safe and Stable Families	93.556	G2021-11-5902	\$ -	\$ 43,648
Child Support Enforcement	93.563	G2021-11-5902	-	563,384
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G2021-11-5902	-	23,648
Foster Care - Title IV-E	93.658	G2021-11-5902	-	65,536
Adoption Assistance	93.659	G2021-11-5902	-	178,364
CCDF Cluster:				
Child Care and Development Block Grant	93.575	G2021-11-5902	-	45,724
Total CCDF Cluster			<u>-</u>	<u>45,724</u>
Temporary Assistance for Needy Families (TANF)	93.558	G2021-11-5902	-	1,116,445
Social Services Block Grant:				
<i>(Passed through the Ohio Department of Developmental Disabilities)</i>				
Social Services Block Grant	93.667	N/A	-	28,074
<i>(Passed through the Ohio Department of Mental Health)</i>				
Social Services Block Grant	93.667	3A70 33612	35,851	35,851
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
Social Services Block Grant	93.667	G-2021-11-5902	-	587,441
Total Social Services Block Grant			<u>35,851</u>	<u>651,366</u>
<i>(Passed through the Ohio Department of Mental Health)</i>				
Block Grants for Community Mental Health Services	93.958	3A90 33614 MH BG 4221C	39,700	39,700
COVID-19 Emergency Grants to Address Mental Health and Substance Use Disorders During COVID-19				
	93.665	2020-H79FG000202	14,912	14,912
State Targeted Reponse to the Opioid Crisis:				
Opioid STR	93.788	3HB1-2021	9,285	9,285
Opioid STR	93.788	2100802	138,569	138,569
Opioid STR	93.788	2100710	214,760	214,760
Total State Targeted Response to the Opioid Crisis:			<u>362,614</u>	<u>362,614</u>
<i>(Passed through the Ohio Department of Alcohol and Drug Addiction Services)</i>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3G40 336618-4221C	38,425	38,425
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3G40 336618-4253C	107,873	107,873
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>146,298</u>	<u>146,298</u>
Medicaid Cluster:				
<i>(Passed through the Ohio Department of Developmental Disabilities)</i>				
Medical Assistance Program - MAC/RMTS	93.778	N/A	-	79,992
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
Medicaid Assistance Program	93.778	G-2021-11-5902	-	585,950
Total Medicaid Cluster			<u>-</u>	<u>665,942</u>
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
Elder Abuse Prevention Interventions Program	93.747	G-2021-11-5902	-	817
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
Children's Health Insurance Program	93.767	N/A	-	4,998
<i>(Passed through the Ohio Department of Developmental Disabilities)</i>				
Children's Health Insurance Program	93.767	N/A	-	1,107
Total Children's Health Insurance Program			<u>-</u>	<u>6,105</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>599,375</b>	<b>3,924,503</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 612,125</b>	<b>\$ 4,609,313</b>

The accompanying notes are an integral part of this schedule.

**NOTE A – BASIS OF PRESENTATION**

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

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

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**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 U.S. Department of Treasury, and the U.S. Department of Health and Human 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 - 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 F - TRANSFERS BETWEEN FEDERAL PROGRAMS**

During 2021, the County made allowable transfers of \$438,958 from the Temporary Assistance for Needy Families (TANF) (93.558) program to the Social Services Block Grant (SSBG) (93.667) 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 2021 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$	1,555,403
Transfer to Social Services Block Grant		(438,958)
<b>Total Temporary Assistance for Needy Families</b>	<b>\$</b>	<b>1,116,445</b>



**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**

**INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Brown County, Ohio:

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, each major fund, and the aggregate remaining fund information of Brown County, Ohio (the "County") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 12, 2022 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 accompanying schedule of findings and questioned costs as item 2021-002 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 grants 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 2021-001.

## ***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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
August 12, 2022

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

**INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Brown County, Ohio:

**Report on Compliance for Each Major Federal Program**

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

We have audited Brown 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, 2021. 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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.*

Cincinnati, Ohio  
August 12, 2022

**Brown County, Ohio**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued :	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

**Federal Awards**

Internal Control over major program:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	None
Type of auditors' report issued on compliance for major program:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	None
Identification of major program:	
<i>ALN 10.561 – SNAP Cluster – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program</i> <i>ALN 93.558 – Temporary Assistance for Needy Families (TANF)</i> <i>ALN 93.778 – Medicaid Cluster – Medical Assistance Program</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**Brown County, Ohio**  
**Schedule of Findings and Questioned Costs (continued)**  
**Year Ended December 31, 2021**

**Section II - Financial Statement Findings**

**2021-001 Material Noncompliance**

Ohio Revised Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio revised Code Section 117.38.

Ohio Administrative Code Section 117-02-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP). However, the County prepared its financial statements in accordance with the modified cash basis of accounting in a report format similar to the requirements of Governmental Accounting Standards Board Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This presentation differs from GAAP. There would be variances on the financial statements between this accounting practice and GAAP that, while presumably material, cannot be reasonably determined at this time. This County can be fined, and various other administrative remedies may be taken against the County.

We recommend that the County implement policies and procedures to ensure that the County prepares its annual financial reporting in accordance with generally accepted accounting principles.

***Views of Responsible Officials:*** *Brown County has made the management decision that GAAP basis financial statements are not worth the additional costs it would take to produce them.*

**2021-002 Financial Reporting**

While preparing the 2021 financial statements, the County determined errors existed in the 2020 financial statements related to the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* which required prior period restatements. Restatements were needed for the Fund Cash Balance in the General Fund and Developmental Disabilities Fund and Net Cash Position in Governmental Activities and Custodial Funds. Additionally, during the course of our audit, we identified misstatements in the financial statements in the current year. We proposed audit adjustments to correct the reporting of transfer activity as reimbursements in the Job and Family Services Fund and Other Governmental Funds and to correct reporting of payments made on behalf of the County by OPWC in the Auto and Gas Tax Fund.

**Brown County, Ohio**  
**Schedule of Findings and Questioned Costs (continued)**  
**Year Ended December 31, 2021**

**2021-002 Financial Reporting – Audit Adjustments (continued)**

These misstatements in the financial statements were not initially identified by the County's internal control over financial reporting. Internal control over reporting includes not only the transaction entries to the County's books and records throughout the year but also the financial statement preparation process at year-end. A deficiency in internal control exists when the design of 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. In this case, the internal controls over the preparation and review of the County's financial statements did not operate as designed.

***Views of Responsible Officials:** The County recognizes the importance of ensuring the County's financial statements are correct and will continue to enhance internal controls over financial reporting.*

**Section III – Federal Award Findings and Questioned Costs**

**None**





# Jill A. Hall

## Brown County Auditor's Office

Administration Building • 800 Mt. Orab Pike Suite 181 • Georgetown, Ohio 45121-1175  
(937) 378-6398 • (888) 244-6420 • Fax (937) 378-6038

### Brown County Schedule of Prior Audit Findings Year Ended December 31, 2021

#### Financial Statement Findings

**2020-001 Noncompliance**

The County did not prepare its annual financial report in accordance with generally accepted accounting principles.

**Status:** Repeated as Finding 2021-001.

**2020-002 Noncompliance**

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

**Status:** Corrected

**2020-003 Budgetary Posting**

The County did not have procedures in place to accurately post authorized budgetary measures to the accounting system.

**Status:** Corrected

**2020-004 Financial Reporting – Audit Adjustments**

Misstatements in the financial statements were identified that were not initially identified by the County's internal control over financial reporting

**Status:** Repeated as Finding 2021-002

#### Federal Award Findings and Quested Costs

Department of Health and Human Services

**2020-005 ALN 93.558 – Temporary Assistance for Needy Families**

Ohio Revised Code Section 5108.04 states each county department of job and family services shall adopt a written statement of policies governing the prevention, retention, and contingency program for the county. The County adopted the plan in accordance with Ohio Revised Code Section 5108.04, however it was noted that Step 6 (Administrative Requirements) for Notice of Approval/Denial section requirement was not met.

**Status:** Corrected

Email: [jhall@browncountyauditor.org](mailto:jhall@browncountyauditor.org)

[www.browncountyauditor.org](http://www.browncountyauditor.org)



# Jill A. Hall

## Brown County Auditor's Office

Administration Building • 800 Mt. Orab Pike Suite 181 • Georgetown, Ohio 45121-1175  
(937) 378-6398 • (888) 244-6420 • Fax (937) 378-6038

### CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) December 31, 2021

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion</b>	<b>Responsible Contact Person</b>
<b>2021-001</b>	N/A – County views cash basis financial statements appropriate as GAAP statements would cost additional monies and be of no appreciable benefit.	N/A	County Commissioners
<b>2021-002</b>	The County will enhance its internal controls over financial reporting with steps such as additional management analysis of the financial statements.	12/31/2022	Jill Hall

# OHIO AUDITOR OF STATE KEITH FABER



**BROWN 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 9/29/2022**

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

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