



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

BROWN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024

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

In our opinion, 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, 2024, and the respective changes in cash basis financial position 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 the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying management's discussion & analysis, 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*, and budgetary comparisons for the General, Job and Family Services, Auto and Gas Tax, and Developmental Disabilities Funds are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying management's discussion & analysis, schedule of expenditures of federal awards, and budgetary comparisons for the General, Job and Family Services, Auto and Gas Tax, and Developmental Disabilities Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2025 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
June 20, 2025

BROWN COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (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, 2024. 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 2024 are as follows:

- In total, net cash position decreased \$1,512,632, which represents a 3.18% decrease from the 2023's net cash position. Governmental activities net cash position decreased \$1,347,609 or 2.97% from 2023's net cash position, while business-type activities net cash position decreased \$165,023 or 7.48%.
- The County's major governmental funds include the General Fund, the Job and Family Services Fund, the Auto & Gas Tax Fund, the Developmental Disabilities Fund, and the Capital Projects Fund. The General Fund had receipts of \$17,600,052 and disbursements and other financing uses of \$13,196,610. The General Fund's fund balance increased \$4,403,442, from a fund cash balance of \$12,411,970 to \$16,815,412 during 2024.
- The Job and Family Services Fund had receipts and other financing sources of \$5,625,364 and disbursements of \$5,473,741. The Job and Family Services Fund's fund balance increased \$151,623, from \$148,997 to \$300,620 during 2024.
- The Auto & Gas Tax Fund had receipts of \$6,097,456 and disbursements of \$5,901,336. The Auto & Gas Tax Fund's fund balance increased \$196,120, from \$3,003,414 to \$3,199,534 during 2024.
- The Developmental Disabilities Fund had receipts and other financing sources of \$4,148,182 and disbursements of \$4,439,091. The Developmental Disabilities Fund's fund balance decreased \$290,909, from a fund cash balance of \$3,389,599 to \$3,098,690 during 2024.
- The Capital Projects Fund had disbursements of \$116,925. The Capital Projects Fund's fund balance decreased \$116,925, from \$7,057,151 to \$6,940,226 during 2024.
- The County's business-type activities consist of the Solid Waste Fund and the Sewer and Water Fund. These activities had program receipts of \$1,410,273 and disbursements of \$1,575,296. Net position of the business-type activities decreased \$165,023.

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.

BROWN COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

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.

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 Job and Family Services Fund, the Auto and Gas Tax fund, the Developmental Disabilities fund, and the Capital Projects 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 2024?", 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, 2024 (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 Job and Family Services Fund, the Auto and Gas Tax Fund, the Developmental Disabilities Fund, and the Capital Projects 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.

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 funds use the cash basis of accounting. 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.

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.

BROWN COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Supplementary Information

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

Government-Wide Financial Analysis

The table below provides a summary of the County's net cash position for 2024 and 2023.

	Net Cash Position					
	Governmental Activities 2024	Business-Type Activities 2024	Governmental Activities 2023	Business-Type Activities 2023	2024 Total	2023 Total
<u>Assets</u>						
Equity in pooled cash and cash equivalents	\$ 44,047,019	\$ 2,041,912	\$ 45,394,628	\$ 2,206,935	\$ 46,088,931	\$ 47,601,563
Total assets	<u>44,047,019</u>	<u>2,041,912</u>	<u>45,394,628</u>	<u>2,206,935</u>	<u>46,088,931</u>	<u>47,601,563</u>
<u>Net Cash Position</u>						
Restricted	20,557,125	-	26,169,606	-	20,557,125	26,169,606
Unrestricted	<u>23,489,894</u>	<u>2,041,912</u>	<u>19,225,022</u>	<u>2,206,935</u>	<u>25,531,806</u>	<u>21,431,957</u>
Total net cash position	<u>\$ 44,047,019</u>	<u>\$ 2,041,912</u>	<u>\$ 45,394,628</u>	<u>\$ 2,206,935</u>	<u>\$ 46,088,931</u>	<u>\$ 47,601,563</u>

The total net cash position of the County decreased \$1,512,632. Net cash position of governmental activities decreased \$1,347,609, which represents a 2.97% decrease from the 2023 balance. Net cash position of business-type activities decreased \$165,023 or 7.48% from the 2023 balance.

During 2024, the County spent down some of the ARPA funding received from the federal government, which accounted for most of the decrease in restricted net position from December 31, 2023.

A portion of the County's governmental activities net cash position, \$20,557,125, 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 \$23,489,894 may be used to meet the County's ongoing obligations to citizens and creditors.

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BROWN COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The table below shows the changes in net cash position for 2024 and 2023.

	Change in Net Cash Position					
	Governmental Activities 2024	Business-Type Activities 2024	Governmental Activities 2023	Business-Type Activities 2023	2024 Total	2023 Total
Cash Receipts:						
Program receipts:						
Charges for services and sales	\$ 6,087,973	\$ 1,410,273	\$ 5,814,121	\$ 1,426,086	\$ 7,498,246	\$ 7,240,207
Operating grants and contributions	18,519,960	-	16,761,489	-	18,519,960	16,761,489
Capital grants and contributions	118,911	-	1,604,618	-	118,911	1,604,618
Total program receipts	<u>24,726,844</u>	<u>1,410,273</u>	<u>24,180,228</u>	<u>1,426,086</u>	<u>26,137,117</u>	<u>25,606,314</u>
General receipts:						
Property taxes	4,820,053	-	4,719,232	-	4,820,053	4,719,232
Sales taxes	7,890,622	-	7,745,431	-	7,890,622	7,745,431
Payment in lieu of taxes	606,879	-	662,658	-	606,879	662,658
Unrestricted grants	1,693,891	-	1,758,189	-	1,693,891	1,758,189
Proceeds of loans	-	-	448,846	-	-	448,846
Investment receipts	2,223,626	-	1,731,439	-	2,223,626	1,731,439
Miscellaneous	280,960	-	194,742	-	280,960	194,742
Total general receipts	<u>17,516,031</u>	<u>-</u>	<u>17,260,537</u>	<u>-</u>	<u>17,516,031</u>	<u>17,260,537</u>
Total receipts	<u>42,242,875</u>	<u>1,410,273</u>	<u>41,440,765</u>	<u>1,426,086</u>	<u>43,653,148</u>	<u>42,866,851</u>
Cash Disbursements:						
General government:						
Legislative and executive	8,692,160	-	7,429,204	-	8,692,160	7,429,204
Judicial	5,073,440	-	4,683,961	-	5,073,440	4,683,961
Public safety	6,646,317	-	5,655,247	-	6,646,317	5,655,247
Public works	5,844,670	-	4,854,717	-	5,844,670	4,854,717
Health	6,230,740	-	4,532,539	-	6,230,740	4,532,539
Human services	9,309,347	-	9,159,440	-	9,309,347	9,159,440
Community and economic development	529,602	-	313,243	-	529,602	313,243
Capital outlay	694,462	-	1,985,556	-	694,462	1,985,556
Debt service:						
Principal retirement	530,402	-	477,553	-	530,402	477,553
Interest expense	39,344	-	48,800	-	39,344	48,800
Solid waste	-	1,458,016	-	1,201,385	1,458,016	1,201,385
Sewer and water	-	117,280	-	44,179	117,280	44,179
Total cash disbursements	<u>43,590,484</u>	<u>1,575,296</u>	<u>39,140,260</u>	<u>1,245,564</u>	<u>45,165,780</u>	<u>40,385,824</u>
Change in net cash position	(1,347,609)	(165,023)	2,300,505	180,522	(1,512,632)	2,481,027
Net cash position at beginning of year	<u>45,394,628</u>	<u>2,206,935</u>	<u>43,094,123</u>	<u>2,026,413</u>	<u>47,601,563</u>	<u>45,120,536</u>
Net cash position end of year	<u>\$ 44,047,019</u>	<u>\$ 2,041,912</u>	<u>\$ 45,394,628</u>	<u>\$ 2,206,935</u>	<u>\$ 46,088,931</u>	<u>\$ 47,601,563</u>

BROWN COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Governmental Activities

General government represents activities related to the governing body as well as activities that directly support County programs. In 2024, general government cash disbursements totaled \$13,765,600 or 31.58% of total governmental activities cash disbursements. General government programs were supported by \$3,833,762 in direct charges to users and \$1,349,788 in operating grants and contributions.

The County's human services programs accounted for \$9,309,347, or 21.36%, 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 \$1,349,599 in direct charges to users and \$8,484,385 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 2024 and 2023. That is, it identifies the cost of these services supported by tax receipts and unrestricted state grants and entitlements.

The table below shows the changes in net cost of services for 2024 and 2023.

	Governmental Activities			
	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
Cash disbursements:				
General government:				
Legislative and executive	\$ 8,692,160	\$ 5,947,113	\$ 7,429,204	\$ 5,037,782
Judicial	5,073,440	2,634,937	4,683,961	2,286,962
Public safety	6,646,317	5,876,896	5,655,247	4,914,001
Public works	5,844,670	(102,982)	4,854,717	(191,398)
Health	6,230,740	3,755,225	4,532,539	1,782,312
Human services	9,309,347	(524,637)	9,159,440	306,282
Community & economic development	529,602	257,639	313,243	4,428
Capital outlay	694,462	575,551	1,985,556	380,938
Debt service:				
Principal retirement	530,402	530,402	477,553	389,925
Interest expense	39,344	(86,504)	48,800	48,800
Total	<u>\$ 43,590,484</u>	<u>\$ 18,863,640</u>	<u>\$ 39,140,260</u>	<u>\$ 14,960,032</u>

The dependence upon general cash receipts for governmental activities is apparent. Approximately \$18.8 million in taxes and general cash receipts were required to cover remaining cash disbursements.

BROWN COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

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 \$1,410,273 and operating cash disbursements of \$1,575,296 for 2023. The net cash position of the programs decreased \$165,023 from the 2023 net position.

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 \$44,047,019, which is \$1,347,609 less than last year's balance of \$45,394,628.

The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2024 and December 31, 2023 for all major and nonmajor governmental funds.

	Fund Cash Balance December 31, 2024	Fund Cash Balance December 31, 2023	Increase (Decrease)
Major Funds:			
General	\$ 16,815,412	\$ 12,411,970	\$ 4,403,442
Job and Family Services	300,620	148,997	151,623
Auto and Gas Tax	3,199,534	3,003,414	196,120
Developmental Disabilities	3,098,690	3,389,599	(290,909)
Capital Projects	6,940,226	7,057,151	(116,925)
Non-Major Funds:			
Other Governmental Funds	<u>13,692,537</u>	<u>19,383,497</u>	<u>(5,690,960)</u>
Total	<u>\$ 44,047,019</u>	<u>\$ 45,394,628</u>	<u>\$ (1,347,609)</u>

General Fund

The General Fund, the County's largest major fund, had cash receipts of \$17,600,052 in 2024. The cash disbursements and other financing uses of the General Fund totaled \$13,196,610 in 2024. Of the total General Fund's cash disbursements, \$177,591 represents transfers and advances to other funds. The General Fund's cash balance increased \$4,403,442 from the 2023 balance.

BROWN COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

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

	2024 <u>Amount</u>	2023 <u>Amount</u>	Percentage <u>Change</u>
<u>Cash Receipts:</u>			
Taxes	\$ 10,117,269	\$ 9,911,254	2.08 %
Payment in lieu of taxes	535,541	584,186	(8.33) %
Charges for services	2,516,109	2,318,722	8.51 %
Fines and forfeitures	383,890	307,295	24.93 %
Intergovernmental	1,542,657	1,605,534	(3.92) %
Investment income	2,223,626	1,731,439	28.43 %
Other	<u>280,960</u>	<u>194,742</u>	44.27 %
Total	<u>\$ 17,600,052</u>	<u>\$ 16,653,172</u>	5.69 %

Receipts related to charges for services increased primarily in the general fund. Fines and forfeitures increased due to increased court fines. Intergovernmental receipts decreased due to a decrease in revenues from local governments. Investment income increased due to an increase in interest rates. Other receipts increased during 2024 due to an increase in miscellaneous refunds and reimbursements.

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

	2024 <u>Amount</u>	2023 <u>Amount</u>	Percentage <u>Change</u>
<u>Cash Disbursements</u>			
General government:			
Legislative and executive	\$ 4,706,351	\$ 4,259,213	10.50 %
Judicial	3,119,059	3,175,276	(1.77) %
Public safety	4,226,211	4,319,015	(2.15) %
Public works	76,920	67,153	14.54 %
Human services	479,784	618,598	(22.44) %
Community and Economic development	53,127	55,146	(3.66) %
Capital outlay	3,373	4,777	(29.39) %
Debt service	<u>354,194</u>	<u>349,200</u>	1.43 %
Total	<u>\$ 13,019,019</u>	<u>\$ 12,848,378</u>	1.33 %

General government disbursements increased 8.73% from the prior year. Legislative and executive disbursements increased due to increased contracted services. Public safety disbursements decreased due to an decrease in the costs related to the sheriff's department. Public works disbursements increased due to increased engineer costs. Human services disbursements decreased due to an decrease in costs related to public assistance. All other disbursements remained comparable to the prior year or changed an insignificant amount.

Job and Family Services Fund

The Job and Family Services Fund had receipts and other financing sources of \$5,625,364 and disbursements of \$5,473,741. The Job and Family Services Fund's fund balance increased \$151,623, from \$148,997 to \$300,620 during 2024.

BROWN COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Auto and Gas Tax Fund

The Auto & Gas Tax Fund had receipts of \$6,097,456 and disbursements of \$5,901,336. The Auto & Gas Tax Fund's fund balance increased \$196,120, from \$3,003,414 to \$3,199,534 during 2024.

Developmental Disabilities Fund

The Developmental Disabilities Fund had receipts and other financing sources of \$4,148,182 and disbursements of \$4,439,091. The Developmental Disabilities Fund's fund balance decreased \$290,909, from a fund cash balance of \$3,389,599 to \$3,098,690 during 2024.

Capital Projects Fund

The Capital Projects Fund had disbursements of \$116,925. The Capital Projects Fund's fund balance decreased \$116,925, from \$7,057,151 to \$6,940,226 during 2024.

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 \$15,717,243 were increased to \$20,089,579 in the final budget. Actual revenues and other financing sources of \$19,099,108 were \$990,471 less than final budgeted estimates. Original appropriations of \$14,926,535 were increased to \$16,249,845 in the final budget. Actual disbursements and other financing uses of \$14,977,510 were \$1,272,335 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 \$694,462 for governmental activities and \$390,801 for business-type activities during 2024.

Debt Administration

At December 31, 2024, the County had \$1,160,000 in general obligation bonds, \$1,148,933 in Ohio Public Works Commission (OPWC) loans, and \$79,478 in forgivable debt to governmental activities.

For further information, regarding the County's debt, refer to Note 12 to the basic financial statements.

BROWN COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

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.

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.

BROWN COUNTY, OHIO

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 44,047,019	\$ 2,041,912	\$ 46,088,931
Net cash position:			
Restricted for:			
Debt service	19	-	19
Capital projects	14,313	-	14,313
Public assistance	300,620	-	300,620
Mental health	1,760,992	-	1,760,992
Developmental disabilities	3,098,690	-	3,098,690
ARPA	2,404,054	-	2,404,054
Real estate assessment	2,221,154	-	2,221,154
CSEA	387,147	-	387,147
Childrens services	1,007,460	-	1,007,460
Auto and gas tax	3,199,534	-	3,199,534
Residential facility/developmental disabilities	599,195	-	599,195
Treasurer DTAC	438,263	-	438,263
CDBG revolving loan	451,439	-	451,439
E-911 services	755,308	-	755,308
Other purposes	3,918,937	-	3,918,937
Unrestricted	<u>23,489,894</u>	<u>2,041,912</u>	<u>25,531,806</u>
Total net cash position	<u>\$ 44,047,019</u>	<u>\$ 2,041,912</u>	<u>\$ 46,088,931</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BROWN COUNTY, OHIO

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

		Program Cash Receipts		
		Charges for	Operating Grants	Capital Grants
	Disbursements	Services and Sales	and Contributions	and Contributions
Governmental activities:				
General government:				
Legislative and executive	\$ 8,692,160	\$ 2,559,674	\$ 185,373	\$ -
Judicial	5,073,440	1,274,088	1,164,415	-
Public safety	6,646,317	371,329	398,092	-
Public works	5,844,670	365,601	5,582,051	-
Health	6,230,740	159,830	2,315,685	-
Human services	9,309,347	1,349,599	8,484,385	-
Community and economic development	529,602	-	271,963	-
Capital outlay	694,462	-	-	118,911
Debt service:				
Principal retirement	530,402	-	-	-
Interest expense	39,344	7,852	117,996	-
Total governmental activities	43,590,484	6,087,973	18,519,960	118,911
Business-type activities:				
Solid waste	1,458,016	1,323,896	-	-
Sewer and water	117,280	86,377	-	-
Total business-type activities	1,575,296	1,410,273	-	-
Totals	\$ 45,165,780	\$ 7,498,246	\$ 18,519,960	\$ 118,911

General cash receipts:

Property taxes levied for:

General purposes

Developmental disabilities

Sales taxes levied for:

General purposes

911 services

Payment in lieu of taxes

Grants and entitlements not restricted
to specific programs

Investment earnings

Miscellaneous

Total general cash receipts

Change in net cash position

Net cash position at beginning of year

Net cash position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Disbursements) Receipts and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (5,947,113)	\$ -	\$ (5,947,113)
(2,634,937)	-	(2,634,937)
(5,876,896)	-	(5,876,896)
102,982	-	102,982
(3,755,225)	-	(3,755,225)
524,637	-	524,637
(257,639)	-	(257,639)
(575,551)	-	(575,551)
(530,402)	-	(530,402)
86,504	-	86,504
(18,863,640)	-	(18,863,640)
-	(134,120)	(134,120)
-	(30,903)	(30,903)
-	(165,023)	(165,023)
(18,863,640)	(165,023)	(19,028,663)
3,540,106	-	3,540,106
1,279,947	-	1,279,947
6,577,163	-	6,577,163
1,313,459	-	1,313,459
606,879	-	606,879
1,693,891	-	1,693,891
2,223,626	-	2,223,626
280,960	-	280,960
17,516,031	-	17,516,031
(1,347,609)	(165,023)	(1,512,632)
45,394,628	2,206,935	47,601,563
\$ 44,047,019	\$ 2,041,912	\$ 46,088,931

BROWN COUNTY, OHIO

STATEMENT OF CASH ASSETS AND FUND CASH BALANCES
GOVERNMENTAL FUNDS - CASH BASIS
DECEMBER 31, 2024

	<u>General</u>	<u>Job and Family Services</u>	<u>Auto and Gas Tax</u>	<u>Developmental Disabilities</u>
Assets:				
Equity in pooled cash and cash equivalents	<u>\$ 16,815,412</u>	<u>\$ 300,620</u>	<u>\$ 3,199,534</u>	<u>\$ 3,098,690</u>
Fund cash balances:				
Nonspendable	\$ 265,744	\$ -	\$ -	\$ -
Restricted	-	300,620	3,199,534	3,098,690
Committed	-	-	-	-
Assigned	279,641	-	-	-
Unassigned	<u>16,270,027</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund cash balances	<u>\$ 16,815,412</u>	<u>\$ 300,620</u>	<u>\$ 3,199,534</u>	<u>\$ 3,098,690</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>\$ 6,940,226</u>	<u>\$ 13,692,537</u>	<u>\$ 44,047,019</u>
\$ -	\$ -	\$ 265,744
-	13,692,537	20,291,381
4,500,000	-	4,500,000
2,440,226	-	2,719,867
-	-	16,270,027
<u>\$ 6,940,226</u>	<u>\$ 13,692,537</u>	<u>\$ 44,047,019</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, 2024

	General	(Formerly Major) ARPA	Job and Family Services	Auto and Gas Tax
Cash receipts:				
Sales taxes	\$ 6,577,163		\$ -	\$ -
Real and other taxes	3,540,106		-	-
Charges for services	2,516,109		900,000	349,394
Licenses and permits	-		-	-
Fines and forfeitures	383,890		-	24,059
Intergovernmental	1,542,657		4,654,614	5,585,322
Investment income	2,223,626		-	136,171
Contributions and donations	-		-	-
Payment in lieu of taxes	535,541		-	-
Other	280,960		-	2,510
Total cash receipts	<u>17,600,052</u>		<u>5,554,614</u>	<u>6,097,456</u>
Disbursements:				
Current:				
General government:				
Legislative and executive	4,706,351		-	-
Judicial	3,119,059		-	-
Public safety	4,226,211		-	-
Public works	76,920		-	5,658,689
Health	-		-	-
Human services	479,784		5,473,741	-
Community and economic development	53,127		-	-
Capital outlay	3,373		-	120,995
Debt service:				
Principal retirement	330,000		-	121,652
Interest expense	24,194		-	-
Total disbursements	<u>13,019,019</u>		<u>5,473,741</u>	<u>5,901,336</u>
Excess (deficiency) of cash receipts over (under) disbursements	<u>4,581,033</u>		<u>80,873</u>	<u>196,120</u>
Other financing sources (uses):				
Advances in and not repaid	-		-	-
Advances (out) and not repaid	(58,770)		-	-
Transfers in	-		70,750	-
Transfers (out)	(118,821)		-	-
Total other financing sources (uses)	<u>(177,591)</u>		<u>70,750</u>	<u>-</u>
Net change in fund cash balances	4,403,442		151,623	196,120
Fund balances as previously reported	12,411,970	6,230,869	148,997	3,003,414
Adjustment - changes in major fund to nonmajor fund	<u>-</u>	<u>(6,230,869)</u>	<u>-</u>	<u>-</u>
Fund cash balances at beginning of year, as adjusted	<u>12,411,970</u>		<u>148,997</u>	<u>3,003,414</u>
Fund cash balances at end of year	<u><u>\$ 16,815,412</u></u>		<u><u>\$ 300,620</u></u>	<u><u>\$ 3,199,534</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Developmental Disabilities	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,313,459	\$ 7,890,622
1,279,947	-	-	4,820,053
24,035	-	1,575,245	5,364,783
-	-	52,803	52,803
-	-	262,438	670,387
989,334	-	7,229,754	20,001,681
-	-	-	2,359,797
-	-	18,612	18,612
71,338	-	-	606,879
-	-	173,788	457,258
<u>2,364,654</u>	<u>-</u>	<u>10,626,099</u>	<u>42,242,875</u>
-	-	3,985,809	8,692,160
-	-	1,954,381	5,073,440
-	-	2,420,106	6,646,317
-	-	109,061	5,844,670
4,439,091	-	1,791,649	6,230,740
-	-	3,355,822	9,309,347
-	-	476,475	529,602
-	116,925	453,169	694,462
-	-	78,750	530,402
-	-	15,150	39,344
<u>4,439,091</u>	<u>116,925</u>	<u>14,640,372</u>	<u>43,590,484</u>
<u>(2,074,437)</u>	<u>(116,925)</u>	<u>(4,014,273)</u>	<u>(1,347,609)</u>
-	-	58,770	58,770
-	-	-	(58,770)
1,783,528	-	798,071	2,652,349
-	-	(2,533,528)	(2,652,349)
<u>1,783,528</u>	<u>-</u>	<u>(1,676,687)</u>	<u>-</u>
(290,909)	(116,925)	(5,690,960)	(1,347,609)
3,389,599	7,057,151	13,152,628	45,394,628
-	-	6,230,869	-
<u>3,389,599</u>	<u>7,057,151</u>	<u>19,383,497</u>	<u>45,394,628</u>
<u>\$ 3,098,690</u>	<u>\$ 6,940,226</u>	<u>\$ 13,692,537</u>	<u>\$ 44,047,019</u>

BROWN COUNTY, OHIO

**STATEMENT OF NET CASH POSITION
PROPRIETARY FUNDS - CASH BASIS
DECEMBER 31, 2024**

	Solid Waste	Other Enterprise Funds	Total Enterprise Funds
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	<u>\$ 2,038,347</u>	<u>\$ 3,565</u>	<u>\$ 2,041,912</u>
Net cash position:			
Unrestricted	<u>2,038,347</u>	<u>\$ 3,565</u>	<u>2,041,912</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, 2024

	Solid Waste	Other Enterprise Funds	Total
Operating cash receipts:			
Charges for services	\$ 1,323,896	\$ 86,377	\$ 1,410,273
Operating cash disbursements:			
Personal services	-	43,574	43,574
Contract services	1,067,215	73,706	1,140,921
Capital outlay	390,801	-	390,801
Total operating cash disbursements	1,458,016	117,280	1,575,296
Operating loss/Change in net cash position	(134,120)	(30,903)	(165,023)
Net cash position at beginning of year	2,172,467	34,468	2,206,935
Net cash position at end of year	<u>\$ 2,038,347</u>	<u>\$ 3,565</u>	<u>\$ 2,041,912</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BROWN COUNTY, OHIO

**STATEMENT OF FIUCIARY NET CASH POSITION
CUSTODIAL FUNDS - CASH BASIS
DECEMBER 31, 2024**

	<u>Custodial</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 4,296,213
Cash and cash equivalents in segregated accounts	<u>1,149,879</u>
Total assets	<u>5,446,092</u>
Net cash position:	
Restricted for individuals, organizations and other governments	<u><u>\$ 5,446,092</u></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, 2024**

	Custodial
Additions:	
Intergovernmental	\$ 2,232,751
Amounts received as fiscal agent	1,716,188
Licenses, permits and fees for other governments	13,166,775
Fines and forfeitures for other governments	6,117,684
Property tax collection for other governments	37,397,932
Special assessments collections for other governments	525,039
Contributions and donations	3,700
	<hr/>
Total additions	61,160,069
	<hr/>
Deductions:	
Distributions to the State of Ohio	12,928,597
Distributions of state funds to other governments	2,239,095
Distributions as fiscal agent	1,713,841
Licenses, permits and fees distributions to other governments	249,278
Fines and forfeitures distributions to other governments	6,143,238
Property tax distributions to other governments	37,177,282
Special assessment distributions to other governments	525,039
Other custodial fund disbursements	3,111
	<hr/>
Total deductions	60,979,481
	<hr/>
Net change in fiduciary net cash position	180,588
Net cash position beginning of year	<hr/> 5,265,504
Net cash position end of year	<hr/> <hr/> \$ 5,446,092

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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, 2024.

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 (CORSAs)
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, 2024

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 2024.

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 2024 was \$247,726. 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, 2024

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 functions 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, 2024**

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

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.

Capital Projects Fund

This fund is to account for monies transferred from the General fund to complete County construction projects and improvement projects.

Other governmental funds of the County are used to account for:

Nonmajor special revenue funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Nonmajor capital projects funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Nonmajor debt service funds - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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.

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BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

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.

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.

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 schedules 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 schedules 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.

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

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 2024, 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.

The County has invested funds in STAR Ohio during 2024. 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.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Investment procedures are restricted by provisions of the Ohio Revised Code. Investment receipts credited to the General Fund in 2024 amounted to \$2,223,626 which includes \$1,556,896 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.

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. Accumulated Leave

For 2024, GASB Statement No. 101, "*Compensated Absences*", was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The County does not offer noncash settlements.

County employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave.

This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the County's cash basis of accounting.

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 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

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 lease/Subscription Based Information Technology Arrangements (SBITAs) is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease/SBITA payments are reported when paid.

L. Net Position

Net cash 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 cash 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 \$20,557,125 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.

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

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.

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/Other Postemployment Benefits (OPEB)

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

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

P. Leases

Accruals related to leases (as defined by GASB 87) are not reflected under the County's cash basis of accounting. Lease receipts/disbursements are recognized when they are received/paid.

Q. Subscription Based Information Technology Arrangements

Accruals related to SBITA contracts (as defined by GASB 96) are not reflected under the County's cash basis of accounting. SBITA disbursements are recognized when they are paid.

R. Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2024, distributions of \$377,028 are reflected as intergovernmental revenue in the OneOhio special revenue fund in the accompanying financial statements.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2024, the County has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "Omnibus 2022", GASB Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62", Implementation Guide No. 2023-1 and GASB Statement No. 101, "Compensated Absences".

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously report by the County.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the County.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the County.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of the County.

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Change within the Financial Reporting Entity

For 2024, the County's APRA fund presentation was adjusted from major to nonmajor due to no longer meeting the qualitative threshold for a major fund. This change is separately displayed in the financial statements.

C. Compliance

Ohio Administrative Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its basic financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying 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.

NOTE 4 - 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;

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - CASH DEPOSITS AND INVESTMENTS - (Continued)

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;
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.

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - CASH DEPOSITS AND INVESTMENTS - (Continued)

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, 2024, the carrying amount of all County deposits was \$47,997,721 and the bank balance was \$48,964,585. Of the bank balance, \$41,370,211 was covered by the FDIC and \$7,594,374 was uninsured and collateralized.

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, 2024, 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	\$ 3,534,302	\$ 3,534,302

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.

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - CASH DEPOSITS AND INVESTMENTS - (Continued)

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.

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, 2024:

Cash and investments per note

Carrying amount of deposits	\$ 47,997,721
Investments	3,534,302
Cash on hand	<u>3,000</u>
Total	<u>\$ 51,535,023</u>

Cash and investments per statement of net position

Governmental activities	\$ 44,047,019
Business-type activities	2,041,912
Custodial funds	<u>5,446,092</u>
Total	<u>\$ 51,535,023</u>

NOTE 5 - 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 2024, permissive sales tax receipts amounted to \$6,577,163 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 2024, permissive sales tax receipts amounted to \$1,313,459 in the 9-1-1 Emergency Fund.

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6 - 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.

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. 2024 public utility property taxes became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 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, 2024 was \$7.85 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 875,146,620
Commercial/industrial/mineral	77,389,550
Public utility personal property	<u>72,613,410</u>
Total assessed value	<u><u>\$1,025,149,580</u></u>

NOTE 7 - 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 (CORSAs), a risk sharing pool for liability, property, auto, and crime insurance, the County has addressed these various types of risk.

CORSAs, 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. CORSAs was established May 12, 1987, and has grown to sixty-five members. Under the CORSAs 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.

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 - RISK MANAGEMENT - (Continued)

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

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 2024, 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 8 - 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/OPEB liability (asset) represents the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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, 2024

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The 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 9 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

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BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

BROWN COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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. 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 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	State and Local			
	Traditional	Combined	Public Safety	Law Enforcement
2024 Statutory Maximum Contribution Rates				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
2024 Actual Contribution Rates				
Employer:				
Pension ****	14.0 %	12.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	2.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

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

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

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

The County's contractually required contribution for the Traditional Pension Plan was \$1,710,645 for 2024.

Net Pension Liabilities

The net pension liability for OPERS was measured as of December 31, 2023, 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.

BROWN COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share:

	<u>OPERS - Traditional</u>
Proportion of the net pension liability/asset prior measurement date	0.08376500%
Proportion of the net pension liability/asset current measurement date	<u>0.08189900%</u>
Change in proportionate share	<u>-0.00186600%</u>
Proportionate share of the net pension liability	\$ 21,441,494

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, 2023, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

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BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2023, compared to the December 31, 2022 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 2.30%, simple through 2024, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

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

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.20% for 2023.

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

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability:			
Traditional Pension Plan	\$ 33,754,673	\$ 21,441,494	\$ 11,200,507

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 9 - POSTEMPLOYMENT BENEFITS

Net OPEB Asset

See Note 8 for a description of the net OPEB Asset.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

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

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

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2023, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Members with a retirement date prior to January 1, 2023, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2023, as summarized in the following table:

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

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

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

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10.00% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20.00% per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

BROWN COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.00%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2024, OPERS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities

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

Following is information related to the proportionate share:

	<u>OPERS</u>
Proportion of the net	
OPEB liability	
prior measurement date	0.08113000%
Proportion of the net	
OPEB asset	
current measurement date	<u>0.07918200%</u>
Change in proportionate share	<u>-0.00194800%</u>
Proportionate share of the net	
OPEB asset	\$ 714,636

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 9 - POSTEMPLOYMENT BENEFITS - (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 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 asset was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023.

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	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75% including wage inflation
Prior Measurement date	2.75 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	5.70%
Prior Measurement date	5.22%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	3.77%
Prior Measurement date	4.05%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2038
Prior Measurement date	5.50% initial, 3.50% ultimate in 2036
Actuarial Cost Method	Individual Entry Age

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

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.00% for 2023.

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.82 %
Domestic equities	25.00	4.27
Real Estate Investment Trusts (REITs)	5.00	4.68
International equities	25.00	5.16
Risk parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

Discount Rate - A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. 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 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB liability/(asset)	\$ 392,743	\$ (714,636)	\$ (1,631,941)

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 with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	\$ 744,311	\$ 714,636	\$ 680,965

NOTE 10 - 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 11 - 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.

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - CONTINGENCIES- (Continued)

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 12 - LONG-TERM DEBT

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

	Balance 12/31/23	Additions	Reductions	Balance 12/31/24	Amounts Due in One Year
<u>Governmental activities:</u>					
<i>General Obligation Bonds:</i>					
Jailhouse Construction Bonds	\$ 1,345,000	\$ -	\$ (330,000)	\$ 1,015,000	\$ 330,000
Emergency Communications Systems Limited Tax Bonds	215,000	-	(70,000)	145,000	70,000
Total General Obligation Bonds	<u>1,560,000</u>	<u>-</u>	<u>(400,000)</u>	<u>1,160,000</u>	<u>400,000</u>
<i>OPWC Loans (direct borrowings):</i>					
County Township Road Resurfacing	404,459	-	(42,574)	361,885	42,574
County/Washington Township Road Resurfacing	314,688	-	(33,125)	281,563	33,125
Brown County and Mt. Orab Paving	551,438	-	(45,953)	505,485	45,953
Total OPWC Loans (direct borrowings)	<u>1,270,585</u>	<u>-</u>	<u>(121,652)</u>	<u>1,148,933</u>	<u>121,652</u>
<i>Forgivable Debt</i>					
Mental Health Forgivable debt	88,228	-	(8,750)	79,478	8,750
Total governmental activities	<u>\$ 2,918,813</u>	<u>\$ -</u>	<u>\$ (530,402)</u>	<u>\$ 2,388,411</u>	<u>\$ 530,402</u>

The County's total legal debt margin was \$106,480,725 with an unvoted debt margin of \$56,383,227.

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.

BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 12 - LONG-TERM DEBT - (Continued)

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 2022, the County entered into agreement CO14Y with the Ohio Public Works Commission (OPWC) to finance the County Township resurfacing project. The loan was in the amount of \$425,746. The loan carries a 0% interest rate and matures January 2033.

In 2023, the County entered into agreement CO15Z with the Ohio Public Works Commission (OPWC) to finance the County Washington Township resurfacing project. The loan was in the amount of \$331,251. The loan carries a 0% interest rate and matures January 2033.

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.

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BROWN COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 12 - LONG-TERM DEBT - (Continued)

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

Year Ended	Energy Communication General Obligation Bonds		Jailhouse Improvement General Obligation Bonds	
	Principal	Interest	Principal	Interest
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>\$ 145,000</u>	<u>\$ 15,400</u>	<u>\$ 1,015,000</u>	<u>\$ 35,875</u>

Year Ending December 31,	<i>Direct</i>	
	Forgivable	<i>Borrowings</i>
	Debt	OPWC Loans
	Principal	Principal
2025	\$ 8,750	\$ 121,652
2026	8,750	121,652
2027	8,750	121,652
2028	8,750	121,652
2029	8,750	121,652
2030-2034	35,728	494,719
2035	-	45,954
Totals	<u>\$ 79,478</u>	<u>\$ 1,148,933</u>

NOTE 13 - INTERFUND TRANSACTIONS

A. Transfers

Interfund cash transfers for the year ended December 31, 2024, were as follows:

Transfers To	Transfers From		
	General	Nonmajor Governmental	Total
Job and Family Services	\$ 70,750	\$ -	\$ 70,750
Developmental Disabilities	-	1,783,528	1,783,528
Nonmajor governmental funds	<u>48,071</u>	<u>750,000</u>	<u>798,071</u>
Total	<u>\$ 118,821</u>	<u>\$ 2,533,528</u>	<u>\$ 2,652,349</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, 2024**

NOTE 13 - INTERFUND TRANSACTIONS- (Continued)

B. Advances

Advances in/advances out consisted of the following at December 31, 2024 as reported on the fund statement:

<u>Advances In</u>	<u>Advances Out</u>	<u>Amount</u>
Nonmajor governmental funds	General Fund	<u>\$ 58,770</u>

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

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BROWN COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 14 - 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:

<u>Fund balance</u>	<u>General</u>	<u>Job and Family Services</u>	<u>Auto and Gas Tax</u>	<u>Developmental Disabilities</u>	<u>Capital Projects</u>
Nonspendable:					
Unclaimed funds	\$ 265,744	\$ -	\$ -	\$ -	\$ -
Total nonspendable	<u>265,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted:					
Other purposes	-	-	-	-	-
ARPA	-	-	-	-	-
E-911 services	-	-	-	-	-
CSEA	-	-	-	-	-
Residential Facility/DD	-	-	-	-	-
Real estate assessment	-	-	-	-	-
Children services	-	-	-	-	-
Mental health	-	-	-	-	-
Auto and gas tax	-	-	3,199,534	-	-
Public assistance	-	300,620	-	-	-
Board of DD	-	-	-	3,098,690	-
Treasurer DTAC	-	-	-	-	-
CDBG revolving loan	-	-	-	-	-
Debt service payments	-	-	-	-	-
Capital improvements	-	-	-	-	-
Total restricted	<u>-</u>	<u>300,620</u>	<u>3,199,534</u>	<u>3,098,690</u>	<u>-</u>
Committed:					
Capital improvements	-	-	-	-	4,500,000
Assigned:					
Legislative & executive	191,051	-	-	-	-
Judicial	66,073	-	-	-	-
Public safety	22,517	-	-	-	-
Capital improvements	-	-	-	-	2,440,226
Total assigned	<u>279,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,440,226</u>
Unassigned	<u>16,270,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 16,815,412</u>	<u>\$ 300,620</u>	<u>\$ 3,199,534</u>	<u>\$ 3,098,690</u>	<u>\$ 6,940,226</u>

- (Continued)

BROWN COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 15 - FUND BALANCE - (Continued)

<u>Fund balance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:		
Unclaimed funds	\$ -	\$ 265,744
Total nonspendable	-	265,744
Restricted:		
Other purposes	3,653,193	3,653,193
ARPA	2,404,054	2,404,054
E-911 services	755,308	755,308
CSEA	387,147	387,147
Residential Facility/DD	599,195	599,195
Real estate assessment	2,221,154	2,221,154
Children services	1,007,460	1,007,460
Mental health	1,760,992	1,760,992
Auto and gas tax	-	3,199,534
Public assistance	-	300,620
Board of DD	-	3,098,690
Treasurer DTAC	438,263	438,263
CDBG revolving loan	451,439	451,439
Debt service payments	19	19
Capital improvements	14,313	14,313
Total restricted	<u>13,692,537</u>	<u>20,291,381</u>
Committed:		
Capital improvements	-	4,500,000
Assigned:		
Legislative & executive	-	191,051
Judicial	-	66,073
Public safety	-	22,517
Capital improvements	-	2,440,226
Total assigned	-	<u>2,719,867</u>
Unassigned	-	16,270,027
Total fund balances	<u>\$ 13,692,537</u>	<u>\$ 44,047,019</u>

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SUPPLEMENTARY INFORMATION

BROWN COUNTY, OHIO

SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Over (Under) Actual Amounts
Budgetary receipts:				
Sales taxes	\$ 5,412,552	\$ 6,739,169	\$ 6,577,163	\$ (162,006)
Real and other taxes	2,896,526	3,621,518	3,519,769	(101,749)
Charges for services	1,903,380	2,469,062	2,312,929	(156,133)
Fines and forfeitures	315,915	440,079	383,890	(56,189)
Intergovernmental	1,269,498	1,656,430	1,542,657	(113,773)
Investment income	1,829,889	2,356,652	2,223,626	(133,026)
Payment in lieu of taxes	440,713	548,732	535,541	(13,191)
Other	119,580	188,260	145,309	(42,951)
Total budgetary receipts	<u>14,188,053</u>	<u>18,019,902</u>	<u>17,240,884</u>	<u>(779,018)</u>
Budgetary disbursements:				
Current:				
General government				
Legislative and executive	5,848,702	6,189,162	5,320,959	(868,203)
Judicial	3,376,928	3,450,333	3,252,118	
Public safety	4,920,685	5,054,655	4,935,389	(119,266)
Public works	88,088	90,088	88,757	(1,331)
Human services	622,271	622,271	553,616	(68,655)
Community and economic development	61,061	63,361	61,302	(2,059)
Debt service:				
Principal retirement	8,800	344,606	330,000	(14,606)
Interest expense	-	24,194	24,194	-
Total budgetary disbursements	<u>14,926,535</u>	<u>15,838,670</u>	<u>14,566,335</u>	<u>(1,272,335)</u>
Budgetary excess (deficiency) of receipts over (under) disbursements	<u>(738,482)</u>	<u>2,181,232</u>	<u>2,674,549</u>	<u>493,317</u>
Budgetary other financing (uses):				
Advances in	125	164	152	(12)
Advances (out)	-	(58,922)	(58,922)	-
Transfers in	1,529,065	2,069,513	1,858,072	(211,441)
Transfers (out)	-	(352,253)	(352,253)	-
Total budgetary other financing (uses)	<u>1,529,190</u>	<u>1,658,502</u>	<u>1,447,049</u>	<u>(211,453)</u>
Net change in fund cash balance	790,708	3,839,734	4,121,598	281,864
Budgetary fund balance at beginning of year	6,422,437	6,422,437	6,422,437	-
Prior year encumbrances appropriated	220,553	220,553	220,553	-
Budgetary fund balance at end of year	<u>\$ 7,433,698</u>	<u>\$ 10,482,724</u>	<u>\$ 10,764,588</u>	<u>\$ 281,864</u>

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

BROWN COUNTY, OHIO

SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
JOB AND FAMILY SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Over (Under)</u>
				<u>Actual Amounts</u>
Budgetary receipts:				
Intergovernmental	\$ 4,536,818	\$ 4,775,000	\$ 4,654,614	(120,386)
Other	-	15,000	-	(15,000)
Total budgetary receipts	<u>4,536,818</u>	<u>4,790,000</u>	<u>4,654,614</u>	<u>(135,386)</u>
Budgetary disbursements:				
Current:				
Human services	<u>5,163,569</u>	<u>5,863,569</u>	<u>5,386,954</u>	<u>(476,615)</u>
Total budgetary disbursements	<u>5,163,569</u>	<u>5,863,569</u>	<u>5,386,954</u>	<u>(476,615)</u>
Budgetary excess of disbursements over receipts	<u>(626,751)</u>	<u>(1,073,569)</u>	<u>(732,340)</u>	<u>341,229</u>
Budgetary other financing sources (uses):				
Transfers in	953,182	1,200,000	977,931	(222,069)
Transfers (out)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(93,968)</u>	<u>106,032</u>
Total budgetary other financing sources (uses)	<u>753,182</u>	<u>1,000,000</u>	<u>883,963</u>	<u>(116,037)</u>
Net change in fund cash balance	126,431	(73,569)	151,623	225,192
Budgetary fund balance at beginning of year	<u>148,997</u>	<u>148,997</u>	<u>148,997</u>	<u>-</u>
Budgetary fund balance at end of year	<u>\$ 275,428</u>	<u>\$ 75,428</u>	<u>\$ 300,620</u>	<u>\$ 225,192</u>

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

BROWN COUNTY, OHIO

SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
AUTO AND GAS TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Over (Under)
				Actual Amounts
Budgetary receipts:				
Charges for services	337,780	502,000	349,394	(152,606)
Fines and forfeitures	23,259	28,000	24,059	(3,941)
Intergovernmental	5,399,658	5,957,500	5,585,322	(372,178)
Investment income	131,644	163,000	136,171	(26,829)
Other	2,427	3,900	2,510	(1,390)
Total budgetary receipts	5,894,768	6,654,400	6,097,456	(556,944)
Budgetary disbursements:				
Current:				
Public works	5,982,084	8,451,472	6,603,981	(1,847,491)
Capital outlay	811,000	820,000	174,609	(645,391)
Total budgetary disbursements	6,793,084	9,271,472	6,778,590	(2,492,882)
Budgetary excess of disbursements over receipts	(898,316)	(2,617,072)	(681,134)	1,935,938
Budgetary other financing sources:				
Transfers in	5,232	5,412	5,412	-
Total budgetary other financing sources	5,232	5,412	5,412	-
Net change in fund cash balance	(893,084)	(2,611,660)	(675,722)	1,935,938
Budgetary fund balance at beginning of year	2,110,330	2,110,330	2,110,330	-
Prior year encumbrances appropriated	893,084	893,084	893,084	-
Budgetary fund balance at end of year	<u>\$ 2,110,330</u>	<u>\$ 391,754</u>	<u>\$ 2,327,692</u>	<u>\$ 1,935,938</u>

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

BROWN COUNTY, OHIO

SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
DEVELOPMENTAL DISABILITIES FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Over (Under)
				Actual Amounts
Budgetary receipts:				
Real and other taxes	596,120	1,270,039	1,270,037	(2)
Charges for services	11,281	30,000	24,035	(5,965)
Intergovernmental	464,366	1,011,142	989,334	(21,808)
Payment in lieu of taxes	33,484	71,338	71,338	-
Total budgetary receipts	<u>1,105,251</u>	<u>2,382,519</u>	<u>2,354,744</u>	<u>(27,775)</u>
Budgetary disbursements:				
Current:				
Health	3,096,417	4,969,910	4,604,516	(365,394)
Capital outlay	5,087	5,087	-	(5,087)
Total budgetary disbursements	<u>3,101,504</u>	<u>4,974,997</u>	<u>4,604,516</u>	<u>(370,481)</u>
Budgetary excess of disbursements over receipts	<u>(1,996,253)</u>	<u>(2,592,478)</u>	<u>(2,249,772)</u>	<u>342,706</u>
Budgetary other financing uses:				
Transfers in	837,293	1,783,859	1,783,859	-
Total budgetary other financing uses	<u>837,293</u>	<u>1,783,859</u>	<u>1,783,859</u>	<u>-</u>
Net change in fund cash balance	(1,158,960)	(808,619)	(465,913)	342,706
Budgetary fund balance at beginning of year	3,048,507	3,048,507	3,048,507	-
Prior year encumbrances appropriated	270,611	270,611	270,611	-
Budgetary fund balance at end of year	<u>\$ 2,160,158</u>	<u>\$ 2,510,499</u>	<u>\$ 2,853,205</u>	<u>\$ 342,706</u>

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

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BROWN COUNTY, OHIO

NOTES TO THE SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - BUDGETARY PROCESS

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Schedule 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 are as follows:

1. Outstanding year end encumbrances are treated as a cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).
2. Some funds are included in the general fund (cash basis) but have separate legally adopted budgets (budgetary basis).

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

	General	Job and Family Services	Auto and Gas Tax	Developmental Disabilities
Budgetary basis	\$ 4,121,598	\$ 151,623	\$ (675,722)	\$ (465,913)
Net adjustment for receipt	20,337	900,000	-	9,910
Net adjustment for disbursement	1,778,177	(86,787)	5,412	331
Net adjustment for other sources/uses	(1,778,177)	(813,213)	(5,412)	(331)
Funds budgeted elsewhere	(18,134)	-	-	-
Encumbrances	279,641	-	871,842	165,094
Cash basis	<u>\$ 4,403,442</u>	<u>\$ 151,623</u>	<u>\$ 196,120</u>	<u>\$ (290,909)</u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the unclaimed money fund, budget stabilization fund, accumulated leave fund, 27th pay fund, recorder's to supplement fund, Medicaid local sales tax fund, Certificate of title administration and payroll clearing accounts fund.

BROWN COUNTY, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FEDERAL GRANTOR Pass-Through Grantor Program / Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G2425-11-6112	\$ -	\$ 506,382
Total SNAP Cluster			-	506,382
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	506,382
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<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-C-20-1AH-1	-	9,299
Formula Allocation Program	14.228	B-C-22-1AH-1	-	42,179
Formula Allocation Program	14.228	B-F-23-1AH-1	-	47,121
Total Formula Allocation Program			-	98,599
Home Investment Partnerships Program	14.239	B-C-22-1AH-2	-	86,280
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	184,879
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>(Passed through the Ohio Attorney General)</i>				
Crime Victim Assistance	16.575	2024-VOCA-135499418	-	55,533
TOTAL U.S. DEPARTMENT OF JUSTICE			-	55,533
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>(Passed through the Ohio Department of Public Safety)</i>				
Highway and Safety Cluster:				
State and Community Highway Safety	20.600	69A375223000040200H0	-	7,321
Total Highway and Safety Cluster			-	7,321
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	69A37522HA3000016400	-	6,741
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	14,062
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP4128	-	2,189,886
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	G2425-11-6112	-	86,967
Total Coronavirus State and Local Fiscal Recovery Funds			-	2,276,853
TOTAL U.S. DEPARTMENT OF THE TREASURY			-	2,276,853
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>(Passed through the Ohio Department of Developmental Disabilities)</i>				
Special Education - Grants for Infants and Families	84.181	H181A230024	-	35,979
Special Education - Grants for Infants and Families	84.181	H181A220024	-	33,193
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
Special Education - Grants for Infants and Families	84.181	G-2223-11-6902	-	4,265
Total Special Education - Grants for Infants and Families			-	73,437
<i>(Passed through the Ohio Department of Developmental Disabilities)</i>				
Disability Innovation Fund	84.421	N/A	-	24,035
TOTAL U.S. DEPARTMENT OF EDUCATION			-	97,472

(continued)

BROWN COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program / Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through Through to Subrecipients	Total Federal Expenditures
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>				
<i>(Passed through the Ohio Secretary of State)</i>				
HAVA Election Security Grant	90.404	N/A	-	7,090
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			-	7,090
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
Title IV-E Prevention Program	93.472	G2223-11-6902	-	100,815
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G2425-11-6112	-	39,412
Temporary Assistance for Needy Families (TANF)	93.558	G2425-11-6112	-	1,345,232
Child Support Enforcement	93.563	G2425-11-6112	-	654,853
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G2425-11-6112	-	16,604
Foster Care Title IV-E	93.658	G2425-11-6112	-	86,301
Adoption Assistance	93.659	G2425-11-6112	-	237,843
Elder Abuse Prevention Interventions Program	93.747	G2425-11-6112	-	8,629
CCDF Cluster:				
Child Care and Development Block Grant	93.575	G2425-11-6112	-	60,839
Total CCDF Cluster			-	60,839
<i>(Passed through the Ohio Department of Developmental Disabilities)</i>				
Social Services Block Grant	93.667	2401OHSOSR	-	25,830
<i>(Passed through the Ohio Department of Mental Health and Addiction Services)</i>				
Social Services Block Grant	93.667	3A70 33612	36,722	36,722
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
Social Services Block Grant	93.667	G2223-11-6902	-	164,231
Social Services Block Grant	93.667	G2425-11-6112	-	59,441
Total Social Services Block Grant			36,722	286,224
<i>(Passed through the Ohio Department of Developmental Disabilities)</i>				
Children's Health Insurance Program	93.767	N/A	-	11,758
Medicaid Cluster:				
<i>(Passed through the Ohio Department of Job and Family Services)</i>				
Medical Assistance Program	93.778	G2425-11-6112	-	792,068
Total Medicaid Cluster			-	792,068
<i>(Passed through the Ohio Department of Mental Health and Addiction Services)</i>				
Opioid STR (State Targeted Response to the Opioid Crisis)	93.788	SOS 3.0 Harm reduction	9,062	9,062
Opioid STR (State Targeted Response to the Opioid Crisis)	93.788	2400595	194,716	194,716
Opioid STR (State Targeted Response to the Opioid Crisis)	93.788	2500318	5,000	5,000
Total State Targeted Response to the Opioid Crisis			208,778	208,778
Block Grants for Community Mental Health Services	93.958	2401245	39,390	39,390
Block Grants for Community Mental Health Services	93.958	3A90 33614 MH BG 4221C	21,126	21,126
Total Block Grants for Community Mental Health Services			60,516	60,516
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3G40 336618-4221C	29,169	29,169
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3G40 336618-4253C	58,317	58,317
Total Block Grants for Prevention and Treatment of Substance Abuse			87,486	87,486
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			393,502	3,997,358

(continued)

BROWN COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program / Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>(Passed through the Ohio Emergency Management Agency)</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4424	-	93,403
Emergency Management Performance Grants	97.042	EMC-2022-EP-00006	-	19,138
Emergency Management Performance Grants	97.042	EMC-2023-EP-00003	-	11,984
Total Emergency Management Performance Grants			-	31,122
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	124,525
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 393,502	\$ 7,264,154

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, 2024. 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 or changes in net position of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - INDIRECT COST RATE

The County has elected not to use the 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 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 2024, the County made allowable transfers of \$223,672 from the Temporary Assistance for Needy Families (TANF) (93.558) program to the Social Services Block Grant (SSBG) (93.667) program. The Schedule shows the County spent approximately \$1,345,232 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during 2024 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$ 1,568,904
Transfer to Social Services Block Grant	(223,672)
Total Temporary Assistance for Needy Families	<u>\$ 1,345,232</u>

**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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 20, 2025, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2024-001.

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
June 20, 2025

**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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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
June 20, 2025

Brown County, Ohio
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued :	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal Control over major program:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
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)?	No
Identification of major programs:	
<i>ALN 21.027 – Coronavirus State and Local Fiscal Recovery Funds</i> <i>ALN 93.558 – Temporary Assistance for Needy Families (TANF)</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, 2024

Section II - Financial Statement Findings

2024-001 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.*

Section III – Federal Award Findings and Questioned Costs

None



Jill A. Hall

Brown County Auditor

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**Brown County
Schedule of Prior Audit Findings
Year Ended December 31, 2024**

Financial Statement Findings

2023-001 Noncompliance

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

Status: Repeated as Finding 2024-001.



Jill A. Hall

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

Finding Number	Planned Corrective Action	Anticipated Completion	Responsible Contact Person
2024-001	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